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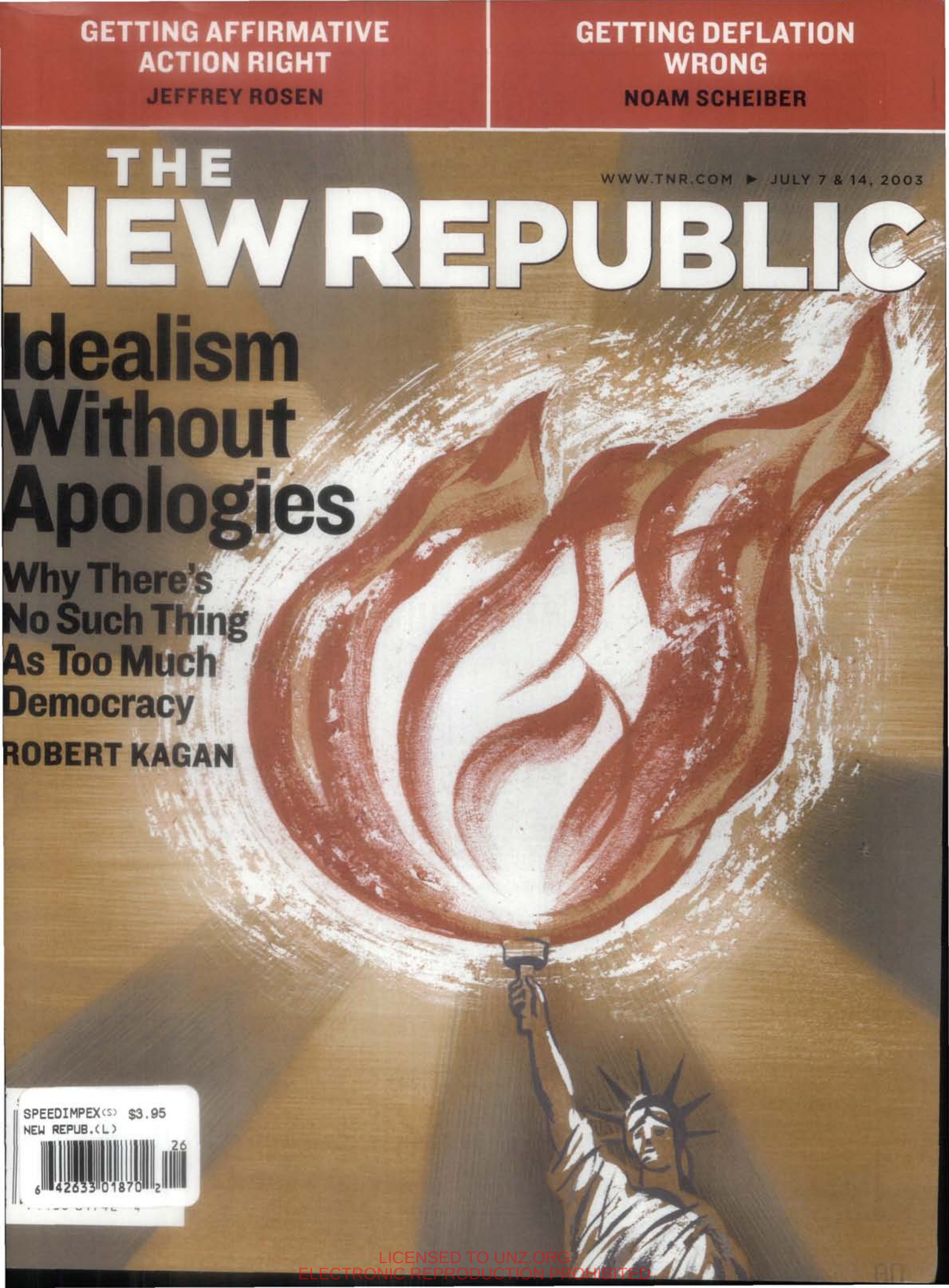

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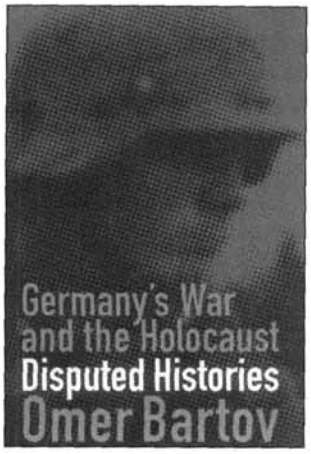

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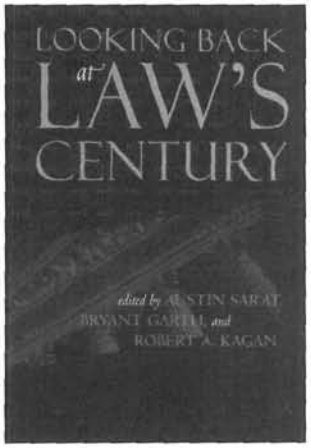

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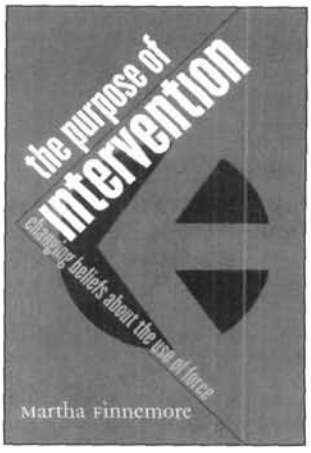

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A JOURNAL OF POLITICS AND THE ARTS

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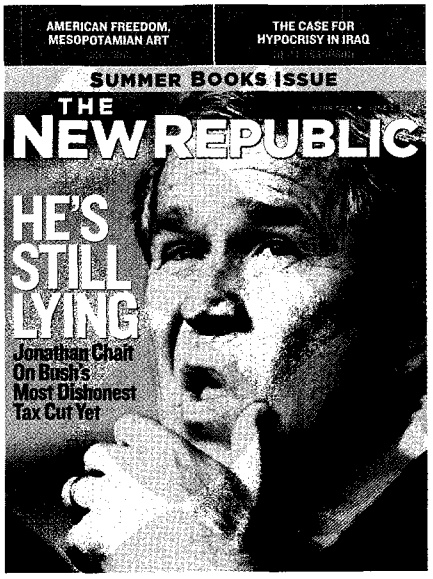
CORRESPONDENCE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THE NEW REPUBLIC
HE'S STILL LYING
Jonathan Chait On Bush's Most Dishonest Tax Cut Yet

UNDERRATED

JONATHAN CHAIT MAKES A COMpelling argument for the Bush administration's mendacity in pushing through a regressive tax cut on the federal level ("Race to the Bottom," June 2). But he left out the major way this tax cut will hurt low- and middle-income taxpayers. Because the tax cut will reduce federal revenue, and thus cut funds the federal government can send to state and local governments, the states will inevitably raise their own tax rates, especially through increases in notoriously regressive state sales and income taxes. After these predictable state tax increases, low- and middle-income taxpayers will end up paying more in taxes than they do today. In a kind of tax shell game, those increased state taxes, paid by the poor and the middle class, ultimately will help fund federal tax cuts for the wealthy.

DAVID C. SOBELSOHN
Washington, D.C.

LONG DIVISIONS

PETER BEINART'S CLAIM IN TRB that state legislatures get only one chance only to redraw district boundaries is wrong ("Character Witness," June 2). The North Carolina legislature has recently taken a couple of shots at redistricting. The Democratic Senate majority leader, Marc Basnight, said, "For the judge to say today that the districts he drew last year were not constitutional simply proves what we've said all along—that he should not be drawing maps in the first place. Under the Constitution, redistricting is the duty of the legislature, not a judge."

There are two differences between Texas and North Carolina: The North Carolina legislature was controlled by the Democrats at the time. And the North Carolina Republicans didn't scamper off to hotels in southern Virginia. Beinart is quite correct that the Texas Republicans' use of federal resources, including the Department of Homeland Security, was a gross abuse. But redistricting is always a display of raw political power, and invoking made-up norms of behavior won't change that.

MICHAEL C. MUNGER
Professor and Chairman
Department of Political Science
Duke University
Durham, North Carolina

PETER BEINART REPLIES:
I didn't write that "state legislatures get only one chance to redraw district boundaries"—those are Professor Munger's words, not mine. I wrote that redistricting "occurs once per decade, following the national census. (The exception being when courts invalidate a state's redistricting plan, thus requiring a second one.)" The exception I outlined is exactly what has happened in North Carolina, where a judge struck down a Democratic redistricting plan and drew his own map, which Democrats are now appealing to a higher court. For judges to strike down legislatures' redistricting plans as unconstitutional—as happened in North Carolina—is fairly common. For legislatures to override judicially mandated plans just because they have the votes to do so—as Republicans are attempting in Texas—is extremely uncommon and dangerous.

SOCIETAL BLITZ

THE EDITORS ARE CORRECT IN ARGUing that transforming post–Saddam Hussein Iraq into a free society will require a long-term commitment ("Mission Incomplete," May 26). However, that commitment will require a more extensive brief than mentioned in the editorial. It should be remembered that installing a democratic government in the place of the Baathist state will not be sufficient to safeguard a truly free society for the long-suffering Iraqi people.

Forgotten in much of the prewar rhetoric and post-conflict euphoria is the truth that a free polity is only one step. The other two institutions that together with it are constitutive of a truly liberal society are a free culture and a free economy. These three institutions are interdependent. Consequently, rebuilding Iraq demands a commitment to a program that develops an independent, self-sustaining middle class—historically the backbone for any democratic civil society—by stimulating the native entrepreneurial spirit of its people through market incentives. Requiring even more delicacy and patience will be the task of encouraging—but without imposing—a culture that, in the best traditions of the three Abrahamic religions that first arose on the soil of Mesopotamia, leaves its citizens free to seek after truth, goodness, and beauty by assuring them mutual respect, tolerance, and equality.

J. PETER PHAM
New York, New York

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Be Unprepared

TRB
FROM WASHINGTON

IN THE LAST COUPLE OF WEEKS, Americans have learned something about our troops in Iraq: They hate it there. They are hot, tired, and surrounded by a population they don't understand who occasionally tries to kill them. The left isn't demanding that the United States "come home," because, while it abhors war, it likes nation-building. But the homesick men and women of the military may prove a far more compelling lobby—and the more the public focuses on their plight, the more pressure the United States will feel to cut and run before it has planted the seeds of liberal government in Iraq.

Why are American GIs so unhappy? Partly, because no one likes being shot at far from home. But that's not the whole story. American troops are also paying the price for the Bush administration's dysfunctional approach to peacekeeping. Since they took office, the Bushies have been declaring their opposition to U.S. peacekeeping. And, since last fall, they have been declaring their opposition to long-term U.S. peacekeeping in Iraq. Yet, eleven weeks after Saddam Hussein's fall, well over 100,000 American troops are hunkering down for a peacekeeping mission with no end in sight. "My guys question why we are going from warriors to peacekeepers, because the belief in what was told to us was that we would fight and win and go home," Sergeant Eric Wright told the Associated Press last week. "I don't know why they're keeping us around here," Corporal Anthony Arteaga told *The Washington Post*. "We're not peacekeepers. We're heavy-combat engineers."

To understand why Wright and Arteaga are so frustrated and confused, go back to 2000, when Condoleezza Rice and Dick Cheney said the United States should withdraw its troops from Bosnia and Kosovo, and Colin Powell promised a review of all U.S. peacekeeping missions worldwide. The assumption was that, while rebuilding obscure, tormented countries might be nice, it was irrelevant to U.S. national security. But that assumption hit a snag on September 11, 2001, when Al Qaeda used an obscure, tormented country, Afghanistan, as a base from which to murder 3,000 Americans. Ever since, the Bush administration has struggled to preserve its pre–September 11 anti-peacekeeping bias in the face of post–September 11 reality, and U.S. foreign policy has suffered as a result.

After overthrowing the Taliban in late 2001, the Bushies solemnly vowed the United States would never abandon Afghanistan again. Taking those words to heart, America's handpicked leader, Hamid Karzai, began asking the Bush administration to expand the international peacekeeping force from Kabul to the rest of the country. For more than a year now, the administration has been saying no. Eight thousand American troops are in Afghanistan hunting for remnants of Al Qaeda, but the Pentagon won't use them for peacekeeping. It won't even allow other countries to send their own peacekeepers beyond the capital, for fear they might get in America's way. The result is that warlords run most of the country, and, as Afghanistan expert Barnett Rubin recently told the Inter Press Service, "our policy in Afghanistan is definitely on track to fail."

At first, it appeared the Bush administration would handle postwar Iraq the same way. In February, when then–Army Chief of Staff Eric Shinseki told a Senate committee that winning the war and guaranteeing postwar stability would require "several hundred thousand soldiers," Deputy Defense Secretary Paul Wolfowitz said the estimate was "wildly off the mark." After the war, the initial Pentagon schedule called for drawing down American troop levels to just 30,000 by this fall. Brigadier General Vincent Brooks, the U.S. military spokesman in Qatar, declared that "the U.S. won't be a police force."

But it hasn't turned out that way. Faced with mass looting and disorder after Saddam's fall, the Bush administration has scrapped its plans for a quick troop withdrawal and settled in for a protracted bout of—you guessed it—peacekeeping. American officials had hoped they would get 60,000 foreign troops to help, but they have procured only 20,000, partly because they won't give other countries any real authority in postwar Iraq. And so American troops, after being promised a short tour of duty, are settling in, unhappily, for an indefinite stay.

Keeping them there is wise, but there are costs to reversing years of stated policy on the fly. Few American soldiers in Iraq have extensive peacekeeping training. And that's no accident. Since Donald Rumsfeld became defense secretary, the Pentagon's Office of Peacekeeping and Humanitarian Operations has been renamed the Office of Stability Operations and has reoriented away from peacekeeping. And, on Rumsfeld's orders, the Army will close its Peacekeeping Institute this September, making the United States practically unique among its allies in not having a center that trains troops for exactly the kind of situation they face today in Iraq.

Although American troops are doing their best, the lack of training shows. The United States has deployed only 3,000 military police in Iraq, who have been shown in Kosovo to perform better in peacekeeping roles than their regular military counterparts. In fact, as Thomas Withington, a defense analyst at King's College, London, recently noted in *Newsday*, with their armored personnel carriers and combat gear, American troops are outfitted poorly for the interaction with civilians that peacekeeping requires. British troops, by contrast, many of whom did extensive peacekeeping in Northern Ireland, have been quicker to take off their helmets and sunglasses and present a nonthreatening face to ordinary Iraqis. This may be part of the reason that, while the United States has lost 92 troops since Saddam fell, Britain has lost only six. "We weren't trained for this stuff now," Corporal Michael Richardson told London's *Evening Standard* last week. "It makes you resentful they're holding us on here."

In Iraq, the Bush administration finally seems to have struck a deal with post–September 11 reality: It will conduct peacekeeping, it just won't prepare troops for it, since that would imply peacekeeping is important. So men like Corporal Richardson are left to pursue one of the most complicated, dangerous missions in U.S. history without the preparation they need. No wonder they're angry.

PETER BEINART

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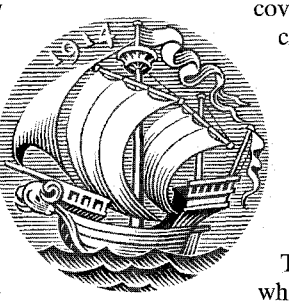
Eyes Wide Shut

AS MOST READERS of this magazine are aware, back in May Democrats in the Texas legislature fled the Lone Star State for several days to prevent an unprecedented GOP effort to gerrymander congressional districts just two years after a census-mandated redistricting. In response, the architect of the gerrymandering plan, House Majority Leader Tom DeLay, called the Federal Aviation Administration for information on a civilian aircraft believed to be transporting the runaway Democrats.

This information was passed on to the Texas Department of Public Safety (DPS), which had been ordered by Republican State House Speaker Tom Craddick to apprehend the fugitive statesmen. DPS, in turn, used the information to involve a branch of the Department of Homeland Security (DHS) in the hunt. That a federal agency whose purpose is combating terrorism was roped into a local partisan dispute struck many observers as outrageous.

Asked on May 16 whether he believed the DHS's involvement was appropriate, White House spokesman Scott McClellan explained, "That is a matter that is being addressed in the state of Texas." Efforts to address it, however, were hindered by the fact that DPS officials had destroyed all notes, memoranda, and other correspondence relating to the episode. By the end of the month, Democratic State Representative Kevin Bailey concluded an investigation of the Texas House General Investigation Committee by noting that, on the question of whether the DHS was misused, "I'm not sure it's anything that I can really, or we can really, get information on."

At about the same time, a White House spokesperson responded to Senator Joe Lieberman's request for a federal investigation into the Texas case by explaining that "the facts and circumstances involving any contacts that took place will be explored by the appropriate agency, and, in this case, that's the Department of Homeland Security." This, then, was to be the investigation that got to the bottom of the matter. Alas, it didn't either. On June 16, the DHS released its report, which, to be blunt, is a joke. The department limited itself to the question of whether employees of the department had knowingly used its resources for an inappropriate purpose. (The report concluded they did not.) Neither the possibility that DPS officials misled DHS employees nor DPS's subsequent destruction of documents pertaining to the case was considered part of the investigation. The report does not even attempt to identify who authorized DPS's misuse of federal resources—rather, it relays DPS employees' refusals to answer that question. "The conduct of DPS," explains the report, "was referred to the FBI for whatever action they deemed appropriate." And what might that action be? Nothing: The FBI has declined to follow up.



There has, in other words, been no true investigation into how the resources of the DHS were brought into a state-level partisan squabble. We don't know what official authorized DPS to call the federal agency. And it looks as though we never will.

How did the scandal-plagued 1990s give way to an era in which such a serious potential abuse of power could pass without even cursory investigation? The answer lies partly in the 1999 expiration of the independent counsel law. The law, whose demise this magazine cheered, was deeply flawed. But it did offer a mechanism for dealing with situations in which law enforcement agencies might be compromised by political concerns—situations such as what just took place in Texas. In its absence, it is crucial that the media and members of the opposition party create enough political pressure that the administration has no choice but to authorize a thorough investigation.

Sadly, it doesn't look like that will happen. The media has moved on: *The New York Times* published 317 words on page 19 after the DHS released the results of its useless investigation; *The Washington Post* didn't bother to cover it at all. The Democrats, too, are largely silent. Apart from Lieberman, no Democratic presidential candidate or member of the party's leadership has called for a thorough inquiry into the Texas incident. The days when an out-of-control independent counsel can leap from lengthy investigation to lengthy investigation have thankfully passed. But some other institution must ensure that, when a political situation cries out for investigation, elected officials are pressured to comply. If Americans have to wait for this administration to police its own apparent abuses of power, we will be waiting a very long time. ■

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NOTEBOOK

TEDDY KENNEDY MAKES FRIENDS . . . *THE WASHINGTON TIMES* CASTS STONES

THE LION SLEEPS TONIGHT

HAS TED KENNEDY GOTTEN SUCKered again? In recent years, the supposed liberal lion of the Senate, perhaps with an eye toward his legacy, has grown ever more fond of bipartisan deal-making. The most recent example was Kennedy's agreement earlier this month to help Republicans advance the administration's $400 billion prescription-drug plan in the Senate. Democrats howl that Kennedy's blessing preempted their hopes of improving what they call a deeply flawed bill—"[He] took the steam out of any effort to fix it," says a senior aide—and, by moving the debate rightward, may enable House Republicans to slip broad anti-Medicare provisions into the bill in conference committee. Not to worry, Kennedy says, the new drug law can be improved in future years. "This is an opening," he told *The New York Times*, "and we ought to take advantage of it." What's more, Kennedy argued, it will be a political boon for Democrats because seniors who want a better drug benefit will elect Democrats to get it.

Haven't we seen this movie before? It was only two years ago that Kennedy backed the president's ballyhooed No Child Left Behind Act, shrugging off warnings (see Michael Crowley, "Teddy Bear," August 13, 2001) that George W. Bush would use his support to achieve feel-good, bipartisan passage of the bill but never follow through on the funding promises that helped to win that support. And guess what? That's exactly what happened. Shortly after the bill's passage, Bush proposed a measly 2.8 percent increase in education spending, or about $7.2 billion less than the bill had called for. Soon Kennedy was bellowing about a "tin-cup budget" that dealt "a severe blow to our nation's schools." This year, Bush asked for $22.1 billion in school spending—another $7 billion short of the bill's nonbinding target. (Indeed, in what may have been a prophetic coincidence, just days after he agreed to the prescription-drug deal, Kennedy pointedly skipped a White House ceremony commemorating the education law.) Meanwhile, Bush's successful efforts to play up his empty school reform have wiped out the Democrats' advantage on education—which, like prescription drugs, had traditionally been one of the party's most potent political weapons. Despite months of Democratic braying about school-funding shortfalls, education was largely a nonfactor in the 2002 elections. Now, in supporting a GOP prescription-drug plan, Kennedy is asking Democrats to trust his judgment once again. They'd be crazy to.

Ted Kennedy

9/10 PRESIDENCY WATCH, CONT'D

FOR THOSE WHO BELIEVED PRESIdent Bush's November promise to "take every possible measure to safeguard our country and our people," a new study by homeland security expert James Jay Carafano will prove disillusioning. Released last week, the report looks at all six priorities in Bush's National Strategy for Homeland Security, concluding, "It is not clear . . . that in every case the level of resources requested [for fiscal 2004] is adequate to meet the critical goals the Administration has established in its strategy or that these efforts are appropriate to address future threats."

Topping the list of concerns, according to Carafano, are "shortfalls in maritime security." A crucial element of maritime security lies in the effective and rapid dissemination of information from the federal level down to each individual port in the country. Yet a crucial initiative for maritime information-sharing, the Ports and Waterways Safety System—which the report says would "automatically collect, process, and disseminate information on the movement and location of ships in ports and on waterways"—receives a paltry $1.7 million in Bush's budget, a sum that Carafano says "largely funds the initial capitalization costs of the program," not its implementation. Nor is this failure to fund information-sharing limited to port security. "Even within the newly established Department of Homeland Security," writes Carafano, "significant integration efforts are not as of yet underway. The department's entire proposed information technology budget for FY2004 is $1.7 billion, with only about $200 million earmarked specifically for information integration." By contrast, Carafano estimates a substantial information-sharing plan "could run well over $10 billion." It gets worse. Border and transportation security? "A decline in real spending of about 3 percent from the FY2003 budget request." Even on critical infrastructure protection—an area where the administration has requested a substantial funding increase, from $177 million to $829 million in fiscal 2004—Carafano writes that "it is not clear if this is sufficient to help bridge the prodigious gap between security needs

DAVID COWLES

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and the total investments required."

You might think from these dire assessments that the study's author works for some left-wing think tank whose purpose is to crank out talking points for the president's political enemies. Not exactly: Carafano is a senior research fellow at the conservative Heritage Foundation. It's reassuring to see concern for Americans' safety trump partisan politics. It would be more reassuring still if we saw it in the administration.

DEPARTMENT OF GLASS HOUSES

LAST APRIL, CNN CHIEF NEWS EXECutive Eason Jordan admitted in an op-ed that his network withheld news of Iraqi atrocities in order to maintain reportorial access to the Baathist dictatorship. Fellow journalists were—rightly—appalled. *The Washington Times*, for example, ran not one but two pieces attacking Jordan on April 15, an op-ed by former CNN Baghdad correspondent Peter Collins as well as a staff-written editorial. "I took part in meetings between the CNN executives and various officials purported to be close to Saddam," wrote Collins. "[I]t seemed to me that CNN was virtually groveling for an interview." The *Times*' editorial board concluded, "No careful viewer can trust CNN's reporting on international affairs."

But, as Howard Kurtz revealed in *The Washington Post* this week, the conservative, Moonie-owned *Times* has done some groveling of its own. In 2001, editor-at-large Arnaud de Borchgrave sent a letter to Saddam requesting an interview. In it, he promised "two entire newspaper pages in *The Washington Times*, the newspaper of choice of the Republican establishment." (Not that the *Times* is a partisan paper or anything.) De Borchgrave also told the dictator that he "had the honor of interviewing you" in the 1970s and modestly predicted that a second interview "would lead to a reappraisal of American policy toward Iraq." Now, who's reporting on international affairs was it that we weren't supposed to trust?

UNINTENTIONAL IRONY WATCH

"NGOs: THE GROWING POWER OF an Unelected Few"—title of a June 11 conference sponsored by the American Enterprise Institute

"[T]he American Enterprise Institute [is] a think tank that has provided much of the ideological underpinnings of the Bush administration"—*Los Angeles Times*, April 23, 2003

DEPARTMENT OF CORRECTIONS

IN THE CORRESPONDENCE SECTION OF our June 23 issue, we erroneously identified letter-writer Peter Schuck, who is a professor at Yale Law School. We regret the error. ■

Inside the Box | Bruce Reed

REVISIONISTS CIA analysts say Saddam may be alive after all: "We'd like to be more definitive, but Cheney can't make up his mind."

DON'T LOOK NOW Senate Republicans accept Iraqi intelligence review on condition that Democrats agree not to call it an "investigation": "And, in return, we agreed not to find anything."

ORDER OF THE PHOENIX In latest *Harry Potter* sequel, Voldemort uses magic powers in an attempt to obtain powerful new weapon. Bush: "We have uncovered fresh evidence that Saddam had help developing WMD."

POTTER: KRT; GANDOLFINI: HELAYNE SEIDMAN/SPLASH NEWS/PHOTOGRAPHER'S SHOWCASE

CRADLE TO GRAVE House votes permanent repeal of death tax. Next on DeLay's list: tax cuts for being born again.

HELP WANTED Manpower survey finds Americans face worst job outlook in twelve years. Rove: "Their job outlook isn't the one we care about."

COSA NOSTRA HBO extends "The Sopranos" for sixth year. Season premiere: Tony puts the screws to Frank Keating, who rats on a new organized-crime family.

ENEMY LINES Foreign mercenaries from several countries lead Iraqi resistance against United States. Rumsfeld: "I warned you not to trust the Germans and the French."

SELLING PRIVATE LYNCH CBS dangles book deal and role as MTV music-video host to try to lure Jessica Lynch into an interview: "She's already starred in a made-for-TV movie."

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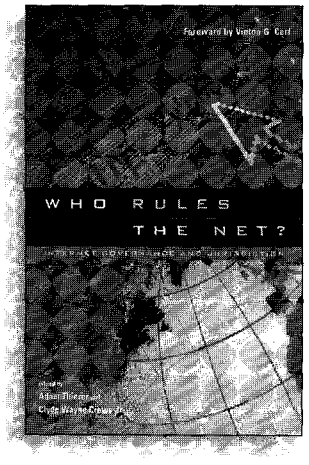

Who Rules the Net? Internet Governance and Jurisdiction

edited by Adam Thierer and Clyde Wayne Crews Jr.

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The real threat to air travel: cargo.

Shipping News

BY HUDSON MORGAN

On May 20, Tom Ridge was breezing through testimony before the House Select Committee on Homeland Security, successfully parrying questions on funding for first responders, porous border security, and the role his department played in tracking down fugitive Texas Democrats. That is, until Massachusetts Representative Ed Markey began to query the secretary. What, Markey wanted to know, did Ridge plan to do about the safety of commercial air cargo? "Twenty-two percent of all air cargo in the United States is placed upon passenger planes," Markey intoned. "Right now, there is no system in place which guarantees that that cargo is screened." Ridge tried to answer, only to be cut off seven times by Markey in the course of one minute. Finally able to get a word in edgewise, Ridge assured the committee, "We recognize this vulnerability, and that is a very high priority."

If only that were true. While the Transportation Security Administration (TSA)—now a part of the Department of Homeland Security—has worked assiduously to screen every piece of checked passenger baggage, the dirtiest secret in the skies is that it has turned a blind eye to the cargo sitting alongside it. Congress may have passed legislation in November 2001 requiring that every piece of mail, baggage, and cargo undergo screening, but 20 months later less than 2 percent of the 550,000 daily tons of air cargo on passenger jets gets proper inspection.

And that air cargo is at serious risk of being tampered with: According to industry experts, cargo en route to passenger planes can be handled up to six different times, often by truckers and freight-handlers who are not subject to any sort of federal background check. Making matters worse, of the 10,000 domestic freight-forwarding facilities—massive warehouses that consolidate roughly 80 percent of all air cargo—the TSA inspects just 1,500 annually. According to a classified document obtained by *The Washington Post* last June, the TSA, citing intelligence, believes there is a 35 to 65 percent likelihood that terrorists are planning to put a bomb in cargo on a passenger plane.

But those odds haven't spurred the Bush administration to get serious about screening air cargo. And Congress—largely because of the obstructionism of one member—hasn't compelled it to do so.

The Bush administration's response to the cargo threat has been twofold. First, it has mandated that only "known shippers"—which the Federal Aviation Administration defines as a firm that has made at least 24 shipments with the same freight-forwarder over the past two years without one of them blowing up—can put cargo on passenger planes. But that isn't much of an improvement because, once a firm is anointed a known shipper, it is given a veritable carte blanche: Its packages are generally subject to only minimal visual inspection. That's a big problem, since it presumably wouldn't be that difficult for a terrorist to get a job with a known shipper—or with a freight-forwarding facility or a trucking company—and sneak a bomb into a package. (Indeed, this scenario became much less hypothetical last week when the Justice Department announced the arrest of Ohio truck driver and "Al Qaeda scout" Iyman Faris, who, it turns out, made regular deliveries to an air cargo company at the Columbus airport.) The known-shipper program, says Leon Laylagian, a security official and pilot at the Coalition of Airline Pilots Associations, is "perilously inadequate."

Second, in March 2002, the TSA issued a number of short-term recommendations aimed at diminishing the air-cargo threat. According to a report in *The Washington Post*, the recommendations included scattering 10 to 15 mobile cargo-screening units and 200 permanent electronic trace-detection cargo machines at various airports nationwide, thus increasing uncertainty for terrorists. The TSA also called for the launch of a widely publicized 15-day "blitz audit" of freight-forwarders with sketchy track records and a 60-day audit of all cargo carriers. But, some 16 months after the recommendations were issued, the TSA has followed through on very few of them. According to a TSA spokesman, the agency has not deployed any mobile cargo-screening units. What's more, the TSA appears not to have set up any trace-detection machines or conducted a single public blitz audit—facts the spokesman refused to confirm or deny.

Which is where Congress would normally step in. In May, the Senate passed the Air Cargo Security Improvement Act, authored by Texas Republican Kay Bailey Hutchison, which increases cargo-facility inspections, trains cargo-handlers, and authorizes the TSA to revoke the license of any noncompliant cargo company. But the matching bill in the House has languished in the Committee on Transportation and Infrastructure. The reason? The committee is chaired by Alaska Republican Don Young, who, according to the Center for Responsive Politics, has taken more than $245,000 from air-transport political action committees since 1996.

Since March 6, when the bill was first referred to a Transportation subcommittee, Young has simply refused to mark it up. "If the chairman doesn't want the bill to move, it won't move," explains one Transportation Committee staffer. In late May, Young came up with a bill of his own that stripped out the stricter provisions in the original bill and replaced them with a "pilot program to assess the capabilities of the private sector" in securing air cargo at just ten of the 429 airports nationwide. A Republican congressional aide calls Young's bill "a joke."

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The stated rationale behind Young's new legislation is that the TSA, acting in concert with industry, should spearhead security efforts. "It's best to give the professionals in the field the ability to create and implement the actual programs instead of being directed by Congress to do so," says Young's spokesman, Steve Hansen. But, as the TSA has already amply demonstrated, the agency will not act absent some sort of impetus. The real motivation behind Young's bill, then, probably has more to do with satisfying the air-cargo industry, which fears any legislation that could stymie the flow of commerce. Yet the Congressional Budget Office's analysis of the Senate legislation—which was nearly identical to the bill Young sat on—concluded that the costs to industry would be marginal. Says one Senate staffer, "We talked to airlines and the cargo carriers ... and made changes to keep the industry viable and still close the loophole. ... Our bill won't put anyone out of business."

In fact, a more stringent cargo-security regime could actually *help* the airline industry's long-term solvency. For starters, it could reduce the cargo theft endemic along the chain of commerce: The FBI estimates that air-freight robbery accounts for a hefty chunk of the $10 billion in stolen cargo annually. As Andrew Traill, head of air-cargo policy for the United Kingdom's Freight Transport Association, notes, "If you improve security against terrorism, you're improving against theft and identifying inefficiencies, and ultimately that's better for business."

Furthermore, in the wake of the September 11 attacks, all U.S. mail weighing more than 16 ounces was yanked from passenger jets, depriving the airlines of more than $400 million in revenue annually. With more muscular anti-terrorism measures in place, the government could safely put some of that priority mail back on planes, thereby resurrecting a critical revenue stream for airlines. Says a spokesman at the Air Transport Association, "The number-one thing we'd like to get back on is that mail. Revenue-wise, that's our biggest priority."

Most of all, the air-cargo industry simply can't survive a cargo-based terrorist attack. Just as the events of September 11 struck a severe blow to airlines by grounding planes for three days, a cargo attack would immediately bring air-shippers' and freight-forwarders' businesses to a grinding halt—costing the industry more than $40 million for every day it didn't ship goods. As one senior vice president at a Midwestern cargo firm told the *Chicago Tribune* last month, "Air-freight-forwarding is one bomb away from extinction."

Many members of Congress from both sides of the aisle have rightly adopted this calculus. On June 12, Markey, not satisfied by a letter Ridge wrote him outlining the TSA's "long-term" air-cargo strategy, introduced yet another cargo-security bill, and it has already attracted bipartisan support. But, before it can come up for a vote on the House floor, it must first pass—you guessed it—Young's Transportation Committee. When I asked Hansen what the committee planned to do with it, he told me they would almost certainly pass Young's bill this week, thereby obviating the need for Markey's. "Probably what will happen is that we'll take a look at [Markey's bill] and determine that the issue has already been dealt with and not act on it," Hansen said. "We get multiple bills that deal with the same issues, and you don't pass them all." Not even the ones that would make us safer. ■

Baghdad Dispatch

The Player

BY JEREMY KAHN

SHEIK KADHIM FARTOUSI is, by all appearances, a man of action. Dressed in an imam's gray robes, black cloak, and white turban, he glides through the dusty streets of Al Thawra, Baghdad's teeming Shia slum, pursued by a small entourage of acolytes and assistants. He is in constant motion, issuing instructions and signing forms on the go. Passing through the turquoise-blue metal gates of the Walaa General Humanitarian Organization, a charity he founded just after the fall of Saddam Hussein, he is met by several local residents, all seeking his advice. He refers a man with a sick child to a local hospital. He tells another to see one of his assistants about a job. He informs a third, inquiring about a brother in the army who has been missing since the war, that he has no news for him. "You see," he says, turning to address me. "We are very busy here."

In the past three months, Fartousi has been very busy indeed. Since founding his charity, he has helped distribute food and money to the neighborhood's needy inhabitants. He has taken charge of the excavation of a mass grave discovered on the city's outskirts. And, in an unusual collaboration with the U.S. government, he has administered a U.S. Agency for International Development (USAID) program that spent $280,000 and employed 16,000 workers in a twelve-day effort to remove trash and sewage from Al Thawra's filth-lined streets. It is this last effort that has turned Fartousi into a particularly prominent—and controversial—figure.

The emerging political power of Shia clerics such as Fartousi is frequently cited as a threat to America's goal of transforming Iraq into a stable, democratic ally. Indeed, when Paul Bremer, the American administrator of Iraq, suddenly canceled local elections in the southern city of Najaf last week, the move was widely interpreted here as a clumsy attempt to check the political ambitions of the imams. But, in reality, the United States has little choice but to deal with Iraq's Shia religious leaders—religious-affiliated charities

Jeremy Kahn is a writer for FORTUNE.

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represent the only organized civil society in many parts of the country. What's more, America's interactions with Iraq's Shia holy men are proving more beneficial to the United States than many critics understand.

FARTOUSI IS TYPICAL of many of the country's young imams. Just 32, he grew up in Al Thawra. Arrested for sedition in 1991, he spent eleven years in Iraq's Abu Ghraib prison. After he was released as part of a general amnesty in October, he returned to Al Thawra to preach and start his charity. In this effort, Fartousi was aided by the Hawza, an important Shia seminary in Najaf to which he swears allegiance. After Saddam's regime collapsed, Fartousi's charity set to work guarding food warehouses from looting and providing assistance to the neighborhood's impoverished residents.

Then the Americans showed up and found Fartousi. "If you ask around in the neighborhood, you quickly find out who the key players are," says Major Arthur Vidal III, whose troops have been working on reconstruction projects in Al Thawra. "People directed us to Fartousi." Vidal, a burly Special Forces officer, quickly realized the young sheik was the kind of man with whom he could do business. "Kadhim Fartousi is a charismatic guy who has a lot of energy that, if applied correctly, can be tremendously helpful to his people," he says. For his part, Fartousi was eager for the Americans' help, though wary of their intentions. "The Americans say they come as liberators, not occupiers," he says. "But it remains to be seen if this is true." Fartousi says some of his fears about America's presence in Iraq were allayed by his interaction with them on the USAID project. "We worked very well together," he says. "As long as they continue to provide humanitarian assistance, we will be with them."

Fartousi says he does not want an Iranian-style theocracy in Iraq. But he doesn't exactly want strict separation of mosque and state either. "Iraq should have a democracy, but it should be guided by Islamic principles," he says. He believes there should be a religious component to public education, opposes the sale of alcohol, and believes women should cover their heads. Furthermore, some people Fartousi hired for the USAID cleanup program are associated with a Shia faction headed by Moktada Al Sadr, a young Najaf cleric. Al Sadr organized the largest Shia demonstration against the U.S. presence in Iraq to date.

It is little wonder, then, that many in Washington worry that the United States is making a mistake by courting imams such as Fartousi. In a recent congressional hearing, Rhode Island Senator Lincoln Chafee drew parallels to Iran's 1979 Islamic revolution as he questioned Deputy Secretary of Defense Paul Wolfowitz about the possibility that Iraq's Shia clerics might, even as they accept U.S. aid, lead the population in creating a fundamentalist government virulently opposed to the United States. These fears extend beyond Washington. Some secular Iraqis believe that, far from "managing" the Shia clerics, America's efforts to work with them are only increasing the chances that religious extremism will infect a future Iraqi government. "If the Americans cooperate with these sheiks, it will just bolster their power," says Mazin Ramadhani, a professor of political science at Baghdad's Al Nahrein University.

But the United States has no choice but to deal with relatively moderate clerics, at least until more secular Iraqi parties develop. Because Saddam brutally repressed any organization not affiliated with his Baath Party, there simply is no civil society in many areas except for the Shia religious charities. "It would be like ignoring the Catholic Church in Poland" after the fall of the Berlin Wall, says Crispin Hawes, a Middle East expert at Lehman Brothers' Eurasia Group. The Shia clergy, who formed a critical underground opposition to Saddam's regime, have emerged as the only means of delivering aid to the population and are thereby keeping them content while more liberal political groups begin to form. "The Iraqi people need some time to develop civil society that is not affiliated with the Islamic movement," says Alah Abdel Razzak, a lecturer in political science at Baghdad University. "As we gain more experience with democracy, I believe people will reject the presence of religion in politics." American officials know that, by working with Fartousi, they may be conferring upon him more legitimacy. But they say it is worth it to buy the secularists time and that establishing a relationship with men such as Fartousi, who are helping deliver essential services, improves America's image in Iraq, reducing the chances of anti-U.S. sentiment and violence.

There is evidence that America's Shia strategy is paying dividends. While some residents of Baghdad's slums thank only Fartousi for having cleaned up the raw sewage in the streets, others say they are grateful for America's help, too. "We are happy they [the Americans] are here" because they are providing services, says Abdul Hassan, a carpenter in one of Baghdad's slums. America's new alliances with the imams may even help explain why there have been far fewer attacks against American forces in Shia areas than in Sunni ones, though there was an attack this week that killed six British troops. In fact, in the south, the Shia heartland, there have been few violent anti-American protests. And the Shia holy city of Karbala, where the United States has worked with clerics, is a success story, with many essential services restored and less anti-American feeling.

Indeed, other leading imams who have met with Americans, including Sheik Abdurrakham Al Shweili and Sheik Russohh Al Gharrawi, have refrained from advocating resistance to the U.S. occupation. Others, such as the Grand Ayatollah Ali Al Sistani, have urged Iraq's religious establishment to stay out of politics and have even voiced tentative support for the U.S. administration of Iraq. And, at the same time, a secular Iraqi civil society has begun to develop, with dozens of new newspapers, small secular political parties, and nongovernmental organizations sprouting in Baghdad.

At some point, hopefully, the secularists may have gained enough momentum that the United States no longer needs to rely on the clerics as allies. For that reason, some Iraqis suspect the political power of Shia imams may actually be at

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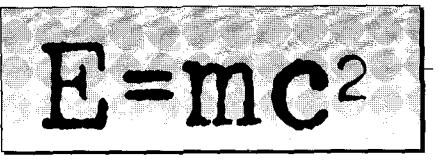

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its zenith now. "Most Iraqis, even Shia Iraqis, do not want to see an Islamic government," says Hassan Al Ani, a professor of political science at Baghdad University. And, if the United States can earn the goodwill of average Iraqis while at the same time containing the imams' anti-democratic tendencies, the transition to secular, pluralistic Iraqi politicians might actually succeed. Bremer only hopes Fartousi and his friends don't realize they're being played. ■

The Bushies' Pyongyang policy.

Split Personality

BY LAWRENCE F. KAPLAN

OVER THE PAST several weeks, a parade of foreign policy experts, touting a pile of recently published "blue-ribbon" think-tank reports, has taken to the airwaves in full cry against the Bush administration's policy toward North Korea. Or, more precisely, the absence of a Bush administration policy toward North Korea. According to these critics, the feuds between the Defense and State Departments that hobble so much else have virtually paralyzed U.S. policy toward the Hermit Kingdom. Thus, Senator Joseph Biden worries about a "San Andreas Fault" running through the Bush team's deliberations, while *Boston Globe* columnist Tom Oliphant frets that "the fractious Bush administration is putting its own silly quarrels ahead of a determined response to the most serious threat to American security—nuclear weapons in North Korea."

There is a kernel of truth to the complaints. But, oddly enough, the schizophrenia strategy seems to be succeeding. Like a broken watch that's right twice a day, the administration's approach to Korea, uncoordinated, swinging wildly between extremes, and hampered by bureaucratic rivalries and policy disputes, has evolved into something that makes sense. That something is a two-track policy, with the State Department pursuing negotiations while the rest of the administration pursues regime change, which has begun to sway allies and adversaries alike. "This is Darwinian evolution, not a master plan," says Nicholas Eberstadt, a North Korea expert at the American Enterprise Institute, "and it's working."

THE MOST HAWKISH of the North Korea hawks nest, ironically, at the State Department, where Undersecretary of State John Bolton presides over a miniature Pentagon on the seventh floor. Bolton, whose hawkish foreign policy views routinely put him at odds with his State colleagues, has never had much use for the blandishments America's diplomatic corps favors in its dealings with North Korea. In response to the latest round of provocations from Pyongyang, which included an announcement that it possesses a nuclear weapon, Bolton—along with Condoleezza Rice, National Security Council counterproliferation point man Robert Joseph, Donald Rumsfeld, and Dick Cheney—has devised a new policy toward the Stalinist state. The Bolton strategy, as Korea-watchers have dubbed it, calls for the selective interdiction of ships from the North carrying drugs, missiles, and weapons technology. These illicit exports, bound for the likes of Yemen and Pakistan, net Pyongyang roughly $1 billion per year, almost twice the amount of its legitimate exports. Administration officials claim the strategy's goals are fairly straightforward: "strangulation" followed by "regime change." Hence, its supporters see no pressing need for negotiations with the North. As Paul Wolfowitz explained during the Bush presidential campaign, it was "totally implausible" that North Korea, "a regime that cares about very little except its military capabilities, would voluntarily give up the ultimate weapon" in exchange for promises of U.S. assistance. Indeed, Pentagon officials lobbied hard against the last round of U.S.–North Korea talks held in April in Beijing. And, when that failed, Rumsfeld recommended that Bolton represent the United States in place of Colin Powell's candidate, Assistant Secretary of State James Kelly.

The defense secretary's reluctance to leave North Korea to the State Department derives from the fear that Foggy Bottom has plans to give away the store. Taking their lead from Powell's insistence soon after taking office that the Bush team would continue to engage Pyongyang just as the Clinton administration did, State Department officials, including Kelly and Deputy Secretary of State Richard Armitage, still advertise the virtues of talks and have pressed for another round later this summer with Kim Jong Il's lieutenants, who they believe wield the nuclear issue as a bargaining chip. Last month, that conviction nearly created a firestorm when it emerged that the North Koreans had confided to American diplomats in March that they had begun to reprocess nuclear fuel. Yet the information never left the State Department, creating the impression that its officials feared the revelation might torpedo future talks. (Foggy Bottom claims the language used by the Koreans to describe the program was too vague to pass along.) As for the Pentagon's interdiction strategy, while State Department officials have publicly endorsed it, prevailing wisdom at Foggy Bottom assumes the policy, in the words of a senior administration official, "will never work, the [allies] will never cooperate, and it will only make a lousy situation worse."

All this may look like a recipe for paralysis. But it hasn't been. Chasing their very different objectives, the two Bush camps have actually ended up bolstering each other's causes. Though it's unlikely to accomplish the aim of regime change, recent events suggest the interdiction strategy could turn out to be far more effective than its detractors predict. Aware that the interdiction policy requires the cooperation of Japan, South Korea, Australia, and China, the Bush team's

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unilateralists were unusually busy during the last few weeks trying to forge a multilateral consensus on interdiction—a campaign that has already yielded a more unified negotiating stance toward the North. At a summit in Madrid two weeks ago, the administration secured the rhetorical backing of ten nations for its Proliferation Security Initiative, the broader policy of clamping down on weapon and drug exports from rogue states. In meetings in Japan, Cambodia, and Hawaii during the past two weeks, representatives from Tokyo, Canberra, and Seoul all pledged to help Washington implement the strategy, and the South Korean government explicitly announced that pressure on the North would help compel Pyongyang to abandon its nuclear program. Japan quickly made good on its promise by detaining two North Korean ships and threatening to board a third, something Australia has done as well. As for China, it likely will never match the pledges made by South Korea, Australia, and Japan. But it did briefly cut off oil deliveries to North Korea earlier this year in an attempt to pressure Pyongyang, and, last week, Beijing defied Pyongyang and endorsed the idea of Japanese and South Korean representatives participating alongside their American counterparts in multilateral talks with the North, a step North Korea says it will not abide.

Even if China refuses to squeeze its Stalinist neighbor and even if the skeptics who claim the interdiction effort will not detect every weapons shipment turn out to be correct, the strategy still makes sense as a negotiating tool. To begin with, halting 80 percent or even 50 percent of North Korea's deadly exports would be an improvement over the current status quo—halting none at all. It will also probably have an effect on the buying end, prompting countries such as Yemen or Pakistan to think twice about purchasing North Korean weapons that they may never receive. More broadly, the policy shows Pyongyang that crime doesn't pay. "What this strategy does," says Victor Cha, a North Korea scholar at Georgetown University, "is to show the North Koreans that nuclear weapons will diminish rather than enhance their security, to the point of them having even fewer resources than they already have."

By contrast, carrots alone have never gotten American diplomats very far in their dealings with Pyongyang—the 1994 Agreed Framework and the 1992 agreement with South Korea for a nuclear-free peninsula being but two examples of broken agreements. "More pressure is better than no pressure," says Eberstadt, "and to think that without it we can just buy out [North Korea's] nuclear program for the fourth time in a row ignores that we've been 'testing their intentions' for the past fifteen years." If anything, the sharpening of U.S. policy in the past few weeks has led to even more vocal demands for talks from the North Koreans, who, significantly, have now offered not only to freeze their nuclear programs but to abandon them altogether.

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If proponents of talks have little to fear from the administration's hard-liners, the reverse is true as well. Notwithstanding the analysis that insists the Stalinist regime will never surrender its weapons programs, it hardly amounts to a show of support for Pyongyang if American diplomats meet occasionally with their North Korean counterparts, if only to double-check the assumption. There are talks and then there are talks, and the State Department's latest round with North Korea, and presumably the next round as well, bear little resemblance to the Clinton administration's policy of engagement. Indeed, the White House has ordered State Department negotiators not to make any concessions to the North Koreans, and, at the last round, they did little more than listen. "We've made clear we're not going to pay for elimination of the nuclear weapons programs that never should have begun in the first place," says State Department spokesman Richard Boucher. And the structure of the talks, which include China and may be expanded to include Japan and South Korea, should allay the fears of those who worry that bilateral negotiations will give the North Koreans a chance to play the United States off against allies such as Seoul. Moreover, it was the latest round of talks that created the opening for a harder line in the first place. "It's hard to understand why people who favor regime change don't want more negotiations like the last Beijing round," says Robert Einhorn, the Clinton team's lead North Korea negotiator, "because the provocative and irresponsible statements from the North Koreans reinforced the impression that we can't do business with them."

Equally important, the appearance of the United States traveling the extra mile in the service of peace comforts allies, such as South Korea's President Roh Moo Hyun, who insist on "dialogue and pressure side by side." And the United States has no choice but to comfort them, at least if the administration means to secure the multilateral support on which its interdiction strategy, and perhaps sterner measures to come, depends. This is even truer because Washington—fearing a repeat of the incident last December when Spanish forces seized a missile-laden North Korean ship on the high seas, only to let it go in the absence of an international convention permitting them to detain it—has urged its allies to invoke their own national laws when halting future shipments.

Finally, talks provide a valve for the North Koreans if strangulation prompts Pyongyang to reconsider its nuclear ambitions. And that, in the end, may be the only hope, since a new regime will almost certainly not arrive in North Korea before a full-blown atomic arsenal does—a day that may be coming in months rather than years. If Washington's two Korea policies end up postponing that day, Americans will have the administration's schizophrenia to thank. ■

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Getting affirmative action right.

Light Footprint

BY JEFFREY ROSEN

IN THE MONTHS leading up to the Supreme Court decision on affirmative action, it was hard not to feel a sense of dread. At other great moments of constitutional drama—the decision to reaffirm *Roe* in 1992 and to settle the presidential election of 2000—the justices had allowed an inflated sense of their own importance to distort their judgment and compromise their reasoning. On both occasions, their moment in the national spotlight diminished them: The Court short-circuited important political debates without firmly rooting their intervention in constitutional principles that people on both sides of the debate could readily understand.

On affirmative action, there was a similar danger that the Court might intervene heavy-handedly in an area where the country was hardly clamoring for judicial intervention. Universities had more or less made their peace with the flawed *Bakke* decision, and even the Bush administration had clearly signaled that the last thing it wanted was a principled decision striking down affirmative action in all its forms. There was every reason to fear that the swing justice, Sandra Day O'Connor, would reprise her role in the abortion case by crafting a novel and muddled compromise that both gave her the last word on a bitter national debate and made the polarization far worse.

But O'Connor resisted temptation. Instead of trying to put her own stamp on affirmative action—as she did on abortion when she invented a new standard for measuring restrictions—O'Connor candidly acknowledged the complexity of the political and legal challenges universities face as they struggle to balance the competing values of color-blindness, diversity, and academic excellence. In the 25 years since the Court last confronted affirmative action in higher education, political pressures to ensure that universities look like America have proved to be so intense that, when courts and legislators have banned affirmative action, the best public universities have refused to accept the resulting decline in the number of minority students that inevitably follows. Instead, they have lowered academic standards across the board, thereby preserving minority enrollment at the cost of destroying their selective admissions standards.

Rather than forcing universities to choose between selectivity and diversity, O'Connor said they had a constitutionally compelling interest in achieving both. Writing for a majority of her colleagues—she was joined by Justices John Paul Stevens, David Souter, Stephen Breyer, and Ruth Bader Ginsburg—she upheld the University of Michigan Law School's affirmative action program (which seeks a "critical mass" of minority students to achieve the intellectual benefits of educational diversity) and reaffirmed Justice Lewis Powell's *Bakke* opinion in unequivocal terms. But, unlike her coy performance in reaffirming *Roe*, where she upheld the result without endorsing its reasoning, O'Connor made clear she agreed with the core holding of *Bakke*—that universities have a compelling interest in the educational benefits that flow from racial diversity. To preserve the educational autonomy that the First Amendment protects, O'Connor concluded, judges should defer to the judgments of educators about how best to fulfill their educational mission.

At the same time that she reaffirmed *Bakke*, O'Connor's opinion for the Court made clear that she and her colleagues take the strictures of *Bakke* seriously. Justice Powell had stressed that race couldn't be used to insulate minority candidates from competitive consideration with other applicants. Emphasizing the importance of treating each applicant as an individual, O'Connor and Breyer joined their four conservative colleagues—Justices William Rehnquist, Anthony Kennedy, Clarence Thomas, and Antonin Scalia—in rejecting the University of Michigan's undergraduate admissions policy. The 20-point automatic boost that all minority applicants receive, these justices held, precludes the university from assessing the particular contribution to educational diversity that each individual applicant brings to the table.

IT'S TRUE THAT the Court has perpetuated the inherent fuzziness of *Bakke* rather than frankly acknowledging its analytical weaknesses. While Justice Powell insisted that race could be a "plus factor" but not a rigid quota in admissions, the difference between the two is often hard to discern. As Chief Justice Rehnquist noted in his dissent from the law school case, the number of admitted African American and Hispanic students—which the university calls a "critical mass"—has been consistently (and suspiciously) proportionate to the number of African Americans and Hispanics in the applicant pool. Moreover, given the magnitude of the score gaps between African Americans and Hispanic students and their white and Asian counterparts, it's hard to avoid the conclusion that race is as decisive a factor for admitting many of the minority law school applicants as it is for admitting the undergraduate applicants. The most obvious difference is that the undergraduate admissions program assigns a numerical value to its racial preferences while the law school doesn't.

In her dissent to the undergraduate case, Justice Ginsburg suggested the Court should have allowed universities to be candid about the degree of their racial preferences, rather than forcing them to lie. "If honesty is the best policy, surely Michigan's accurately described, fully disclosed College affirmative action program is preferable to achieving similar numbers through winks, nods, and disguises," Ginsburg argued. She noted persuasively that schools such as Rice University in Texas that have been prohibited from taking race into account explicitly have resorted to camou-

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flages, such as asking applicants to write self-pitying essays about their "cultural traditions" or their successes in overcoming victimhood. But, if the Court removed all constitutional requirements that applicants be evaluated as individuals, universities would almost certainly resort to crudely statistical, two-track admissions systems that fail to compare white and black applicants in a meaningful way.

If, by contrast, the Court took the opposite approach and required universities to adopt purportedly race-neutral alternatives to racial preferences, as the Bush administration urged, the winks and nods and camouflages would be even less transparent. Faced with lower-court decisions or voter referenda prohibiting the explicit consideration of race, universities have lowered admissions standards across the board to achieve racial diversity at all costs. After Texas courts and California voters banned racial preferences in the mid-'90s, both campuses adopted so-called X-percent plans, which require the admission of students from the top of their high school classes regardless of their test scores. And, in 2001, the University of California reduced the importance of the SAT I by adopting a purportedly holistic admissions procedure known as "comprehensive review." Under the old admissions procedures, half the class on each U.C. campus was admitted according to strictly academic criteria, such as grades and test scores, and the other half was evaluated according to softer criteria, including a personal statement in which applicants were invited to discuss their success in overcoming "hardship." Under "comprehensive review," the entire class is evaluated according to the softer criteria. The results of the program have been similar to those in Texas: The average SAT I score declined at selective U.C. campuses, and the number of blacks and Hispanics slightly increased.

Justice Thomas explicitly endorsed this approach in his dissent to the law school decision. Thomas recognized that Michigan's real interest isn't educational diversity for its own sake but a desire to maintain its high admissions standards as a selective university while, at the same time, achieving enough racial diversity to satisfy the political pressures for state universities to look like America. Although Thomas accurately diagnosed the real stakes in the case, he then resorted to raw populism. Contrasting what he calls "the people's Constitution" with a "faddish slogan of the cognoscenti," Thomas insisted that "[t]he Law School's decision to be an elite institution does little to advance the welfare of the people of Michigan," since most of its graduates don't practice in the state. "There is nothing ancient, honorable, or constitutionally protected about 'selective' admissions," he wrote, and he questioned the value of objective predictors of academic performance, such as standardized tests.

Thomas and the color-blind conservatives, in other words, believe universities should have to choose between racial diversity and academic excellence; and they are willing to undermine the selectivity of the great public universities—as has already happened in Texas and California—in order to vindicate the value of color-blindness. But Thomas and Scalia, who joined his opinion, offered no evidence that the Framers of the Fourteenth Amendment originally embraced such an unequivocal ban on racial classifications. Nor could they, since the historical evidence suggests that the Framers of the Fourteenth Amendment understood the Constitution to prohibit racial classifications only with respect to civil rights but not political or social rights; and, in 1868, when the Fourteenth Amendment was ratified, access to education was not considered a civil right. Thomas and Scalia claim to be devoted to the original understanding above all, and their failure to offer a historical defense of their position makes it hard to accept on their own terms.

Thomas's most powerful constitutional argument is that there is no difference between laws designed to subjugate citizens on the basis of race and those designed to benefit citizens on the basis of race. Both, he claimed, unfairly stigmatize their victims (or beneficiaries) whether they are intended to hurt or to help. "The majority of blacks are admitted to the Law School because of discrimination, and because of this policy all are tarred as undeserving," he wrote. "This problem of stigma does not depend on determinacy as to whether those stigmatized are actually the 'beneficiaries' of racial discrimination." The question of whether racial preferences hurt their beneficiaries more than help them is a relevant constitutional question. The Framers of the Fourteenth Amendment clearly intended to abolish racial classifications that created a racial caste system, such as the Black Codes, which, among other things, forbade African Americans from making contracts or inheriting property. And black conservatives such as Thomas argue powerfully that racial paternalism, and the low expectations it creates, can be just as caste-affirming as racial segregation. But most African Americans reject Thomas's argument; they insist they don't feel stigmatized by racial preferences, which they believe help to break down the racial caste system rather than perpetuate it. In the face of widespread disagreement among blacks and whites about whether or not preferences stigmatize their beneficiaries, judges should defer to legislatures rather than impose their own beliefs on a divided nation.

In contrast to O'Connor's uncharacteristic humility, the conservative dissenters embraced judicial activism as a kind of heroics. Thomas lambasted the Court—twice—for lacking what he calls the "courage" to forbid the use of race in university admissions. O'Connor, by contrast, recognized that the Supreme Court has a limited ability to effect social change, that the demand that universities look like America is too powerful to be uprooted by a judicial command, and that the most constructive role the Supreme Court can play is to establish clear rules and stick to them once society has structured its institutions around them. If the Court is going to act like a legislature, the least it can do is to legislate well; and, in reaffirming *Bakke*, that is what it has done.

Bakke, despite its flaws, has proved the most practical

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way of balancing the competing goals of educational excellence, individualized consideration, and racial diversity. Still, the compromises it represents have papered over the real causes of African American underperformance, which will persist until the nation commits itself to improve K-12 education for all. Until that happens, it's hard to share O'Connor's optimism that, "25 years from now, the use of racial preferences will no longer be necessary." When *Bakke* was decided, Powell was shocked at Thurgood Marshall's prediction that preferences would be necessary for 100 years. But, as Justice Thomas noted, the academic performance of African Americans has not noticeably improved since *Bakke*, and it is not likely to improve as long as African American students are subject to lower expectations than their white counterparts. Moreover, as the United States grows more diverse during the next quarter-century, the political demands for public institutions that look like America will not fade away. They will only grow more insistent. With admirable humility, the Court recognized that it can't begin to solve our racial problems, but, by treading lightly in an area where there is no social or constitutional consensus, it can avoid making them worse. For leading the Court to this unexpectedly modest resolution, we have Justice O'Connor to thank. ■

The Fed focuses on the wrong economic danger.

Overblown

BY NOAM SCHEIBER

LAST JUNE, THE Federal Reserve quietly released a discussion paper that garnered little attention in the mainstream press but created a minor stir on Wall Street and in the rarefied world of academic economics. The paper, titled "Preventing Deflation: Lessons from Japan's Experience in the 1990s," was nominally about exactly what its title suggested: how the persistent deflation and economic stagnation that has followed Japan's late-'80s bubble could have been avoided. More broadly, the paper was widely seen as a justification of the Fed's approach to fighting the recession that followed America's own boom years. According to the Fed's researchers, Japan could have saved itself a decade-long bout of stagnation had the country's central bank, the Bank of Japan, shed its caution and reduced interest rates more aggressively in the early '90s. As it happens, this fast and furious approach to cutting interest rates was exactly the one the Fed had adopted. The paper's message couldn't have been clearer: Japan had been caught flat-footed; the United States would not make the same mistake.

At the time, talk of deflation—commonly defined as a period of falling average prices—was generally accompanied by the sort of bemused detachment with which people discuss horrific but exceedingly remote possibilities, like the Earth being struck by an asteroid. Most economists viewed Japan as a lone anomaly in the annals of postwar economic policy-making, the exception that proved the rule—the rule being that deflation had been banished to the realm of economic prehistory. But, as the inflation rate (that is, the rate at which average prices increase) has continued to fall in recent months, suddenly the possibility of deflation doesn't seem so remote. To the contrary, the world's economic commentariat is increasingly preoccupied by it. Phrases such as "deflation concerns" and "deflation risk" have begun popping up all over the financial pages. A recent headline in *Financial Times* reported, "DEFLATION RISK: INVESTORS ARE PREPARING FOR A PHENOMENON THEY HAVE NOT SINCE THE 1930S." The normally light and upbeat "Personal Journal" section of *The Wall Street Journal* recently ran an article asking, "ARE YOU READY FOR DEFLATION?"

And so the Fed, while continuing to maintain that the risk of deflation is "extremely small," has nonetheless begun emphasizing its determination to guard against it. On November 21, 2002, Fed governor and former Princeton economist Ben Bernanke told the National Economists Club in Washington, "I am confident that the Fed would take whatever means necessary to prevent significant deflation in the United States." The risk of falling prices had so firmly embedded itself in the minds of Fed officials that, in his April 30 testimony before the House Financial Services Committee, Fed Chairman Alan Greenspan allowed that, "with price inflation already at a low level, substantial further disinflation would be an unwelcome development." This was taken to mean that the Fed would do whatever was necessary to avoid "further disinflation" (i.e., inflation falling to the point that it risks turning into deflation).

The problem is that the measures the Fed uses to fight deflation—lowering short-term interest rates, for example—are the same ones that, sooner or later, lead to *in*flation. The assumption underlying the recent commentary from Fed officials and the point laid out in the "Preventing Deflation" paper is that deflation is much, much costlier than inflation, which would make this trade-off acceptable. And, on the face of it, that contention seems plausible enough. In a true deflationary spiral, the rising value of the dollar can price people out of jobs, leading to massive unemployment. It can also encourage people to hoard money rather than spend,

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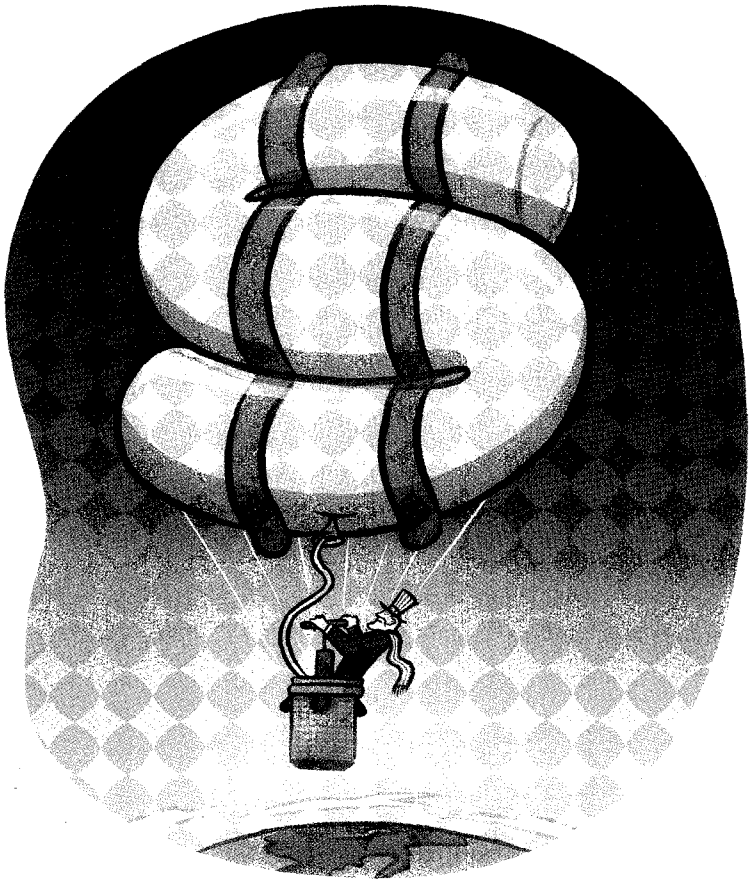
which depresses demand and costs additional jobs. And deflation increases the value of people's debts, which can lead to a wave of defaults. Worse, these trends tend to reinforce one another, creating a vicious cycle in which rising unemployment undercuts demand, and falling demand further increases unemployment. Before Japan, the last time the world had seen a persistent spell of deflation was the Great Depression. Average prices in the United States dropped 25 percent between 1929 and 1933, while industrial production fell by 50 percent and unemployment shot up to 25 percent.

And yet, when you look closer at the analogies to Japan and the Depression, as well as the other deflationary episodes throughout history, all of a sudden the risks don't seem so great after all. Depression-style deflationary spirals should indeed be avoided. But the mere fact that average prices are falling does not a deflationary spiral make. In fact, throughout much of history, falling prices have happily co-existed with economic growth. On the other hand, the mirror image of deflation—a period of persistent inflation, which the Fed would be forced to combat with higher interest rates—can be very damaging to the economy itself. Rising interest rates inevitably slow down everything from housing and auto sales—major drivers of short-term economic growth—to investment by business, which determines the rate at which the economy can grow in the long term. The result could be that the rising unemployment and weak economic growth of the last few years remain with us for a frighteningly long time to come. By demonizing the risks of deflation while downplaying those of inflation, our policymakers may be setting us up for just the economic stagnation they so desperately hope to avoid.



Is the Fed unwittingly going to puncture the U.S. economy?

CHRISTOPH HITZ

THE FED AND others who worry about falling prices aren't basing their concerns on nothing. Prices for core consumer goods—i.e., everything but food and energy, whose prices are too volatile to be reliable indicators—rose at a mere 0.9 percent annual rate between October and April, and they were altogether flat in March and April (though they ticked upward slightly in May). If the economy continues to stall, the thinking goes, average prices could start to fall sometime in the next year and a half.

And yet, just because the prices of many goods are falling—and may continue to do so for the foreseeable future—doesn't mean the country is anywhere close to the kind of economic catastrophe that keeps central bankers up at night. Such fears confuse the cause and effect of a deflationary crisis. As James Grant, editor of *Grant's Interest Rate Observer*, points out, economics giants such as Ludwig von Mises and John Maynard Keynes understood deflation as a condition brought about by a scarcity of money and credit in the financial system. If, for example, there was too little money relative to the amount people needed to transact their day-to-day business, then people might start rationing and even hoarding it, which would cripple economic activity. True, prices would fall under these circumstances, since fewer dollars makes each one worth more. But those falling prices would only be a symptom of the real problem, which was a collapse in the money supply.

As it happens, we can be pretty confident that today's downward pressure on prices isn't the result of too little money. For one thing, while average prices are indeed increasing at a slower and slower rate, individual prices are all over the map. Prices for many services, such as cable television and child care, are increasing by 5 percent per year. Meanwhile, prices for many manufactured goods, such as stereos and televisions, are falling by 5 to 10 percent per year. On average, these price hikes and price declines are roughly canceling each other out, hence the drift toward zero inflation. Second, the Fed has been aggressively lowering interest rates for almost two and a half years now, which it does by expanding the money supply. According to one broad measure, the money supply has been increasing by about 7 percent annually throughout the last few years.

There are two key reasons the prices of certain

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goods are falling, neither of which has to do with the money supply. First, all the equipment and information technology that companies invested in during the last 20 years—particularly during the late '90s—has dramatically increased productivity, enabling companies to produce the same amount of goods more cheaply than ever before. Second, that investment has led to excess capacity, meaning companies are able to produce more goods than the market can absorb. According to *The Wall Street Journal*, for example, the global-production capacity for automobiles stands at about 80 million per year, while global demand is about 60 million. Companies that overproduce tend to cut prices to move all their extra goods.

THE FED'S CONFUSION of cause (a contraction of money and credit) and effect (falling prices) arises from a misreading of the two historical episodes upon which today's conventional wisdom about deflation is based. The Great Depression, though an enormously complex phenomenon, is in some sense the better understood of the two. Despite scholarly debate about what precipitated the slowdown, there is widespread agreement that the contraction of the money supply, caused by a series of bank failures (more than 25 percent of the banks in operation in August 1929 either failed or merged with other banks in the ensuing four years) and the Fed's inability to offset the contraction (in one view, Fed officials were relying on incorrect measures of the money supply), deserves much of the blame for its depth and duration. "Prices fell very sharply, and real interest rates rose" between 1929 and 1933, explains Carnegie Mellon University's Allan Meltzer, author of the authoritative *A History of the Federal Reserve*. "But the Fed kept cutting the money stock." When Franklin Roosevelt finally devalued the dollar in 1933—the equivalent of expanding the money supply for a currency on the gold standard, as the dollar was then—the economy rebounded. By 1936, the economy had made up all the ground it had lost between 1929 and 1933.

Japan's experience is more disturbing precisely because it comes long after the economics profession was supposed to have learned how to avoid deflationary crises. After Japan's stock market and real estate bubbles popped in 1990 and 1991, the Bank of Japan lowered interest rates, just as the textbooks suggest: It cut its key short-term interest rate from 6 percent in the summer of 1991 to 1.75 percent by September 1993, and then another 1.25 percent in two increments in 1995. Yet, by 1999, the Japanese economy was stuck at zero growth and prices were falling at a rate of 0.3 percent annually—a condition that more or less persists today.

The Fed, of course, has interpreted this failure as evidence that Japan didn't act aggressively enough. But that's just not the case. The main reason Japan has been caught in a deflationary funk for the better part of a decade is that its banking system is an absolute basket case. Banks in a normally functioning financial system would have responded to the popping of Japan's "twin bubbles"—which left them holding scads of worthless land and stocks from businesses with no source of profit—by cutting their losses, foreclosing on the businesses they'd been lending money to, and trying to divert those loans to more productive enterprises. But, because of various bureaucratic imperatives, the banks were rarely allowed to cut off well-connected businesses and force them into bankruptcy. Indeed, it came as such a shock when the Japanese government finally allowed the zombie-like department store Sogo to go bankrupt in 2000 that—according to Akio Mikuni and Taggart Murphy, authors of the recent book *Japan's Policy Trap*—Japan's leading newspaper "ran an enormous black-bordered headline of the type normally reserved for declarations of war or earthquakes that lay waste to whole cities." Meanwhile, though the banks did quickly cut off many poorly connected small- and medium-sized companies, they refused to loan new ones any additional money, having been burned so badly before. As a result, the only thing lowering interest rates accomplished was to help Japanese banks continue floating money to lifeless businesses—not the most productive use of capital. More often, the banks didn't lend money at all—they just sat on it.

Like the contemporary U.S. economy, prices were falling both in Japan in the '90s and in the United States in the '30s. But the economies only fell into a deflationary trap because policymakers could not (in the case of Japan) or did not (in the case of the United States during the Depression) stop the contraction of the supply of money and credit. Had they been able or willing to do so, the destructive deflation would have been averted.

For that matter, it's almost impossible to find a period in history when falling prices alone contributed to sustained economic decline. Average prices fell during the recessions of 1937–1938 and 1948–1949, and again briefly during the recession of 1953–1954. But each time the economy recovered quickly. Why? According to Meltzer, as long as the money supply remains stable, the only thing falling prices do is increase purchasing power. And, when that happens, sooner or later the average person goes out and starts spending even though he or she knows that prices may fall even lower tomorrow or the next day. That has certainly been the case in China during the last five years, according to a recent paper by the Federal Reserve Bank of Cleveland. The country's GDP has grown by an average of more than 7 percent per year during that time even though prices in the country have fallen by an average of 2 percent.

THE MANTRA REPEATED again and again in the Fed's "Preventing Deflation" paper is that the costs of overcompensating to avoid deflation are exceedingly low. As a practical matter, what the Fed means by overcompensating is that a central bank facing the risk of deflation should determine where interest rates should be based on that risk and then push them even

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lower. What's more, it should keep them low for longer than it otherwise would. In general, this will lead to a period of higher-than-desired inflation once the risk of deflation passes. But that extra inflation is relatively harmless, the thinking goes, and in any case a cost worth bearing when you consider the horrible alternative.

All of which assumes, of course, that falling prices are, in fact, a horrible alternative. As we've established, they're not—unless the falling prices reflect a contraction of the supply of money and credit. But no sentient central banker would ever allow that to happen. The Fed gets weekly data on the money stock—meaning, according to Meltzer, that it would require a "massive error on its part" to allow the money supply to shrink. "You couldn't do it without knowing about it," he says. But, even if that error somehow got made and prices began to fall as a result, it wouldn't be so hard to correct: You just start printing money and injecting it into the economy.

In fact, not only is deflation not a serious risk today, but its mirror image, inflation—and the rising interest rates that accompany it—is. Thanks primarily to a recent orgy of tax-cutting, the projected ten-year federal deficit now stands somewhere in the neighborhood of $4 trillion. Even more alarming, according to a report ordered by former Treasury Secretary Paul O'Neill but subsequently suppressed by the Bush administration, is that the current value of the gap between all of the government's future liabilities and its future revenue is $44 trillion. Shortfalls like this are highly inflationary since they stimulate demand for goods and services in the short run, which raises prices, and because they often get paid for in the long run by printing money. Likewise, the dollar's recent decline—it has fallen by over 20 percent against the euro and almost 10 percent against the yen in roughly the past year—is also inflationary, since a weaker dollar raises the prices of imports.

In this context, the problem with "overcompensating"—that is, pushing short-term interest rates lower, and keeping them there longer, than you otherwise would—is that it compounds the inflationary pressure created by large federal deficits and the weakening dollar. That's especially problematic because inflation is very difficult to root out once it gets embedded in people's expectations: Consumers expect prices to rise quickly, so they bargain for higher wages; companies expect wages to rise, so they set higher prices. At that point, the only way to get things under control again is to raise short-term interest rates higher than you otherwise would, which can stop the economy in its tracks. (You can of course allow inflation to continue spiraling upward. But very high inflation is devastating, since it forces people to make economic decisions based on whether they protect the value of their money rather than based on whether they're productive or efficient.) The Fed's decision to raise interest rates rapidly in 1994 after the economy began to recover from the 1990–1991 recession—short-term rates rose 3 percentage points in a mere twelve months—brought the recovery to a standstill. After growing by a respectable 4 percent in 1994, the economy grew by only 2.5 percent in 1995.

Worse, raising short-term interest rates also drives up long-term interest rates. This wasn't a big problem back in 1994, since the country's deficits were declining and the dollar was strong—both of which work to keep long-term interest rates down. But today's large and rising deficits and the weakening dollar are having the opposite effect. According to Bank One Corporation chief economist Diane Swonk, "overcompensating" in this environment could push the yield on the ten-year Treasury note, a benchmark long-term interest rate, to above 8 percent in the next few years, from its current level of just above 3 percent. Adjusting for inflation, that means interest rates would be almost as high as they were at their peak in the '80s, the last time the federal deficit and the trade deficit were as large as they are now relative to the size of the economy.

Rates that high could severely dampen economic growth. Higher long-term interest rates stymie growth by discouraging consumers from borrowing money to buy goods such as homes and cars. They also discourage businesses from investing in productivity-enhancing equipment, which harms the economy over the long run. A study that Lehman Brothers chief economist Ethan Harris conducted while at the New York Fed in 1992 concluded that the U.S. economy suffered 2.5 to 3.5 percent lower potential growth during the '80s thanks to the decline in investment due to the higher interest rates created by the Reagan-era deficits. As a result, it's possible that after a brief upsurge the United States could be looking at 2 or 2.5 percent growth for years to come. That sort of anemic growth wouldn't even be enough to keep unemployment from rising.

Swonk offers a personal analogy to illustrate the problem with the Fed's approach: "My son was in hospital this week—he has asthma. This time around, he didn't have pneumonia, so death was not a [serious] risk. ... But they pumped him up with steroids the same way they always do ... because it's unacceptable to risk death. As a result, I had a son who was bouncing off the walls." She continues, "It's what the Fed's doing. They're pumping up the economy with steroids. Are there consequences? Yeah. The issue is long term. And we're living in the moment."

The Fed's Open Market Committee cut short-term interest rates by an additional quarter-point when it met this week—even though the previous 1.25 percent rate was already at a 42-year low and Fed officials continue to insist the possibility of deflation is remote. The move was widely expected on Wall Street, if for no other reason than that Greenspan had foreshadowed it while addressing a meeting of heads of the world's central banks earlier this month. "We perceive [deflation] as a low probability, ... but the cost of addressing it is very small indeed," Greenspan told his colleagues, before comparing the Fed's decision to overcompensate against deflation risk to a "fire break," in which firefighters clear land as a buffer for more valuable property. But the Fed is the one starting the fires. And pretty soon that could send America's economy up in smoke. ■

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BOOKS & THE ARTS

STANLEY KAUFFMANN ON FILMS

Riches and Rigmaroles

HEAVEN, OFTEN STINGY IN other matters, is generous with paradox. Recurrently through the seventy-year life of the USSR, we got reports of Soviet individuals who had become rich. With the approach of **TYCOON** from Russia, I hoped to have the contradiction explained. But this film is adapted from a novel about Boris Berezovsky, who certainly became rich but was mostly active in post-Marxist Russia, so it does not answer my old question. It just gives us the chicanery and dishonesty that are globally commonplace in huge business dealings.

TYCOON
(New Yorker)

SWIMMING POOL
(Focus)

JET LAG
(Miramax)

The pace is pell-mell, the editing is explosive, and the acting is high on energy. The director was Pavel Lounguine, who first drew notice here in 1990 with *Taxi Blues,* a wry portrait of a Moscow cab driver unliberated from sour hates by the Marxist enlightenment in which he had lived. Lounguine showed that he could use the film medium like an equestrian showing off a horse, and in *Tycoon* he continues with glittering dash. The trouble is that he overdashes.

Instead of telling its story in an orderly way, the film pirouettes (something like Francesco Rosi's films about Italian plutocrats, *The Mattei Affair* and *Illustrious Corpses*). It starts with the murder of the tycoon, Platon Makovski. Then it flashes backward and forward in time, with the murder as the fulcrum, each sequence dated, the whole rigmarole attempting to aggrandize the basically banal story with rococo cinematics. We learn about fast deals with automobiles, and about Makovski's maneuvers with a provincial governor who wants to become president, and naturally there is a dollop of sex. But we become so distracted by the jigsaw effect that soon we are more concerned with the assemblage itself than with what it is about.

The cast, as is usually true of Russian actors, is vigorous, with Vladimir Mashkov credibly reptilian as Makovski. But the anomaly of wealth in the high Soviet days is untouched, so *Tycoon* does not fulfill the promise that—admittedly—it never made but that was nonetheless attendant. All that it ultimately shows us, in its frenetic way, is that the decline of incompetent communism into an incompetent capitalism opened fissures for crooks. There needs no ghost come from Lenin's tomb to tell us this.

In 2001 François Ozon made *Under the Sand,* a fascinatingly ambiguous film about a woman's heartbreak because of her husband's death, with Charlotte Rampling in a taciturn performance deeper than anything she had ever done. Now here is Ozon again, after an amusing artificiality called *8 Women,* returning to the ambiguous with **SWIMMING POOL,** and again with Charlotte Rampling. But this time Ozon has drunk too deeply of the ambiguous. His screenplay, done with Emmanuèle Bernheim, declines from the mysterious to the utterly incomprehensible. The story doesn't develop: it skids.

The distributors say in the press kit, "We would appreciate your not revealing the film's secrets. Thank you." No, thank you, dear distributors: I'm glad that I am bound to secrecy because to disclose the ending, or endings, might imply that I understood them. The acute pity of the matter is that, until those secrets are added, *Swimming Pool* is entrancing.

Rampling, again tacitly deep, plays a successful English writer of crime thrillers. The woman feels herself burned out, and her London publisher offers her his house in southern France so that she can luxuriate, recharge her batteries, and write. The house is just what every country house in France ought to be in every film: we immediately feel cheated not to be basking in its charm, with Rampling if possible. (Among other reasons, she is fluent in French.) The house has, as the title promises, a pool, at first covered with a canvas. Rampling does not uncover the pool: she just sets furiously to work on her new book. No kind of drama invades the film up to this point, and this fact does not seriously bother us. Ozon and Rampling understand each other. Silent sequences, in which she does various ordinary things in the house or goes to a nearby village for lunch or is simply enthralled by the landscape, are filled with the being of the complex yet quiet woman that Rampling is playing.

Then the drama begins, and for a while it adds to the pleasure. The publisher has a daughter. Rampling knew of her, but she did not expect this aggressively nubile young blonde woman to turn up. And the daughter, French-born and resident, did not expect Rampling to be there. They do not take to each other, but they get on moderately well despite the daughter's penchant for rock music and for gonadic male visitors. Of course the daughter rolls back the pool's canvas cover. This is a fairly patent symbol, but Ozon is otherwise reticently provocative, simply juxtaposing these two women: the trim, reserved Englishwoman and the often bare-breasted, frank, yet disturbingly intelligent daughter. Several kinds of possibility begin to flicker in our minds.

This is precisely when the film dampens them by piling on events that change the tenor from the intriguing to the pedestrian. Also, there is a blatant echo of the sort of books that Rampling's novelist writes. My lips—and my computer—are sealed, but at least I can note that the first sixty of this film's 102 minutes are the Ozon-Rampling duo at their suggestive best. Ludivine Sagnier, who was in *8 Women,* is utterly genuine in every turn of the daughter's moods, and Charles Dance, though only briefly visible as the London publisher, fills his niche with proper flavor. May Ozon and Rampling

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do more at the level of this film's first hour. Or maybe they could amputate the last part of *Swimming Pool* and finish the film as it deserves.

Just enough room left for a confession: I enjoyed **Jet Lag.** This French pastry, directed by Danièle Thompson, who wrote it with her son Christopher, is a meet-cute comedy in excelsis. Or very near excelsis. And it's not Kate Hudson and Luke Wilson: it's Juliette Binoche and Jean Reno. This means that we are watching two skillful actors on a bus-man's holiday, instead of enduring two tyros at their dismal best.

The story begins at Charles de Gaulle Airport in Paris, where scores of passengers are delayed by strikes. Among them are Binoche and Reno. She is a cosmetician, he is a food specialist, and these two strangers are brought together by a cell phone. Following the ground rules of this sort of story, they don't click with each other at first sight. But circumstances—and we can almost hear the authors chuckling as they concocted them—force the pair together, up to the point where they share a hotel room, platonically, because of the layover. (Possibly not the right word.)

The only complaint about this slickly executed piece is that the two characters never acknowledge that they are in a stock movie situation, which they certainly would have known. That consciousness might have made the bonbon even tastier. Anyway, it is pleasant to spend time with these two. Reno, fortyish, is an expert actor who will probably become another Jean Rochefort. Binoche is an increasingly expert actress who is also, by any kind of test, a twenty-three-carat film star. ■

Jed Perl on Art

Saturnine Magician

In the art of Elie Nadelman, sobriety and enchantment are strangely, wonderfully entangled. Nadelman, who died in 1946 at the age of sixty-four, gave sculpture's ancient mandate to turn real space into dream space a modern vehemence and an adamantine logic, but also a flash of what-the-hell insouciance. The idealized marble heads and the wood carvings of sleek theatrical performers and the plump doll-like women that fill the Nadelman retrospective that is at the Whitney Museum of American Art through July 20 are the work of a saturnine magician. Nadelman possesses a sculptor's deepest, truest intuitions. He brings to his swelling volumes and shifting profiles a rapturous liquidity, a musical suppleness.

ELIE NADELMAN: SCULPTOR OF MODERN LIFE
(Whitney Museum of American Art)

Great sculpture always has a shockingly vital presence, and Nadelman's command of space is right up there with the giants, with Brancusi and Arp and Giacometti and maybe even Donatello. These sculptors knew how to bring their wildest imaginings barging into the universe of actualities, and the effect can be dizzyingly powerful. Sculpture, which incites our desire to touch as well as our desire to see, takes hold of us in a very different way than painting. Chroniclers of the ancient world tell us that the allure of certain Hellenistic carvings of Venus was so strong that worshippers yearned to have sex with the statues, and sometimes attempted to do so. Nadelman, like many twentieth-century artists, including some who worked abstractly, wished to underscore sculpture's strong, erotic pull. While there is a velvety seductiveness about much of Nadelman's art that is worlds away from the abraded austerity of Giacometti's spectral figures, these artists, both of whom produced some of their essential work in the 1940s, shared a fascination with sculpture's totemic, confrontational power. They knew how to turn ancient mysteries into modern dramas.

Nadelman was born in Warsaw, studied in Munich, and by the time of his first one-man show in Paris in 1909 had attracted the attention of artists and tastemakers, including Matisse, Leo Stein, and Thadée Natanson. He caused a sensation with the drawings of classical heads and figures that he constructed out of buoyant orchestrations of springing, leaping arcs. These drawings are a freestanding achievement, and also a guide to the idealized anatomy from which Nadelman conjured the marble and bronze beings who seem to inhabit the rocky hilltops and the azure seas of a lost pastoral paradise.

With that first group of mature drawings and sculptures, Nadelman declared that modern art's search for essences involved an exploration of the fundamentals of classicism. He was aligning himself with a reconsideration of academic tradition that had been encouraged in France by Puvis de Chavannes, Degas, and Seurat, and in Germany by the sculptor Adolf von Hildebrand, whose book *The Problem of Form in Painting and Sculpture,* a copy of which was in Nadelman's library, is one of the founding texts of formalism. Picasso, who already in his Rose Period had made his own case for a meeting of modern asceticism and Greek equilibrium, was immensely impressed by Nadelman's exuberantly skeletal drawings, and Nadelman's salutes to the Greco-Roman imagination foreshadowed the fascination with Neoclassicism that pervaded so much work done in Paris in the years during and after World War I.

With his early marble heads Nadelman created an art of mild yet sublime longing. And while there is no reason to think that a man who had been born and had passed his entire life in Paris could not have produced such work, it is not unreasonable to imagine that Nadelman's abiding fascination with lost worlds is rooted in the immediate biographical facts—in the experience of having left his homeland behind. As it turned out, Nadelman lost Paris, too, for with the arrival of World War I he came to believe that he would be most secure in the United States, which is where he lived for the rest of his life.

Nadelman received a warm welcome in New York, from the high-bohemia circles in which Alfred Stieglitz moved and from the barons of Fifth Avenue, who were soon inviting him to carve portraits of their wives and children. He developed a fascination with folk art—with its spectacular flowering in nineteenth-century America and the relationship of

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those American products to European precedents. With Viola Spiess Flannery, a wealthy widow whom he married in 1919, he built a folk art collection second to none, which they were forced to sell when the crash wiped out their fortune. Folk art was a lost world that Nadelman embraced as an America of the imagination to set beside the Athens and Alexandria of the imagination to which he had earlier declared his lasting fealty. As the decades passed, his nostalgia seems to have thickened and darkened and become almost autobiographical, as this dashingly attractive man who had been a charismatic social animal in his younger years became increasingly reclusive, creating a huge body of work that would be unknown until after his death.

It is impossible to consider Nadelman without considering his passion for fifth-century Greek sculpture, for late Hellenistic terra-cottas, for American cigar-store figures and weather vanes, and for posters and photographs of circus and burlesque performers. Yet there is nothing modest or selfless about Nadelman's acts of homage. His feeling for this wonderfully variegated material is so intimate and so obsessive that you may end up believing that he is not so much a sculptor saluting the art that he loves as he is an artist attempting to speak in a lost language—and not just to speak the words, but also to re-experience the syntax and make of it a new poetry. When Nadelman absorbs certain stylistic elements from Biedermeier toys and American weather vanes into his impressions of the elegant ladies and gentlemen and the dazzling performers of his own day, he is not slumming, or thinking ideologically, or anticipating the decades of irony that followed, or making a comment about "high" and "low." He is erecting an entire alternative universe, a whole world made in his imagination, with its own manners and morals, its own fashions and foibles.

In the last years of his life, Nadelman was fascinated by the multiple versions of terra-cotta statues that had been produced in Hellenistic times using fairly simple molds, and he went right ahead and created molds of his own and made multiple, somewhat variegated versions of small, over-ripe, yet babyish figures. There is something deliciously megalomaniacal and wildly audacious in this late work, in which Nadelman creates types and variations on types and families and generations of families. In summoning this Hellenistic fantasy, Nadelman fights off the loneliness of the modern creative spirit. Working only for himself, he creates a weirdly beguiling multiplication of selves.

COURTESY WHITNEY MUSEUM OF AMERICAN ART

ELIE NADELMAN, *Dancer*, c. 1920–1924

Nadelman is so large-spirited an artist that even his misses are fascinating. I find quite a bit to admire in the portraits that he did of America's leading citizens and their children, which evince an emotional tact and a sneaky formal surprise that echoes, however distantly, Ingres's divine portraiture. As for Nadelman's successes, they are by no means all of a piece, coming as they do in such different forms, from sleekly impersonal to delicately witty to disquietingly expressionistic. He is one of those artists whose work is so rich and so varied that a museumgoer may hesitate to say what is best, and yet there is also much to be said for the general view that it is the wood figures of the first half of the 1920s that are the summit of his art. If certain marble heads and silkily mannerist bronze figures can be regarded as definitive achievements, it is still in the carvings titled *Dancer, Hostess, Chanteuse, Circus Performer, Circus Girl, Tango, Host, Woman at the Piano,* and *Orchestra Conductor* that his effects are peerless—at once ineffable and inevitable.

These figures, in which all the quirks of Nadelman's contemporaries are granted the absolution that comes with formal perfection, are truly like nothing else in the history of art. The relatively small size of the carvings, two or three feet high, can be surprising, considering how much space the figures command, and it is part of their glory that Nadelman is able to give his restricted means such an expansive power. Where earlier and later in Nadelman's work the emphasis is often on the voluptuousness of volume, here, without any loss of solidity, he emphasizes edges and profiles and the unfurling of contours. The high kick of a dancer's leg, the floating hand of the pianist, the erect carriage of the conductor, and the stolidity of the seated man are marked in space with calligraphic panache.

In the drawings in which Nadelman thought through these marvelous witty vignettes of modern life, we see the artist zeroing in on the appetite for incisive social analysis through formal simplification that is the locus classicus of the caricatural imagination. And then we see him pushing through comedy to philosophy—from joke to revelation. Everything that Nadelman had learned, everything that he would ever know, is absorbed into these figures. They reflect his interest in the startling and the unexpected, his appetite for narrative complexity, his search for a form that in its inevitability suggests infinity. And the more you look at these extraordinary works, the more the shadow play of influ-

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ences, whether from folk art or from Seurat or from nineteenth-century photography, vanishes into the vitality of a singular image.

While Nadelman often worked out the ideas for the figures in plaster, he seems to have been certain that their final formulations had to be in wood rather than in bronze; and this is immensely important. Of all the sculptor's materials, wood is the one that we experience as most immediately organic. This material that is so often used in furniture and domestic architecture feels closer to us than marble and bronze, which we inevitably associate with the chill of monuments. Even in the magisterial forms of the limewood altarpieces of the Northern Renaissance—at least one of which, Veit Stoss's *Saint Mary Altarpiece*, Nadelman knew in his youth—wood imparts to the figures a soft, yielding quality. The immediacy of this substance suits the dailiness of Nadelman's subjects, a dailiness that he proceeds to set off a bit, in a middle distance of the imagination that turns out to be the distance between where we stand and eternity.

THIS RETROSPECTIVE AT THE Whitney, which was organized by Barbara Haskell, the museum's curator of early-twentieth-century art, is the first Nadelman show in a New York museum in a quarter of a century. In subtitling the exhibition "Sculptor of Modern Life," Haskell has made it clear that for her it is the wood figures, with their connection to the theatrical and social life of Nadelman's own day, that are at the core of his achievement. Curiously enough, the arrangement of the show at the Whitney does not exactly support this view, for Haskell has displayed more of the classical heads than were probably needed, and has sometimes included versions of the same motif in marble and bronze or in wood and bronze, a doubling of images that tends to muffle the effect of individual works. And the sense of Nadelman as a sculptor of modern life is not well served by the extremely low lighting in the show, which dampens the exuberant power of the wood figures and gives the entire enterprise a disturbingly sepulchral quality. A visitor to the Whitney may leave wondering if Nadelman is modern at all. And yet Haskell, who has in the past mounted important shows of misunderstood or underappreciated American artists such as Ralston Crawford, Joseph Stella, and Burgoyne Diller, must be saluted for bringing us what is only the third major museum show in New York since Nadelman's death.

While versions of several of his works are well known in the city he called home—especially the *Man in the Open Air* that was for many years a striking presence in the Museum of Modern Art sculpture garden and the two huge, posthumous marble versions of groups of circus performers in the lobby of the New York State Theater—Nadelman remains, for most of the museumgoing public, a shadowy figure. Even among Nadelman's most fervent admirers, the small group of fanatics who have followed the exhibitions of his work that have been mounted at the Zabriskie and Salander-O'Reilly galleries in the past quarter-century, he remains something of an enigma, an artist whom some people love mostly for his allegiance to classical verities and whom others cherish for his quirky eccentricity. This conflict seems to

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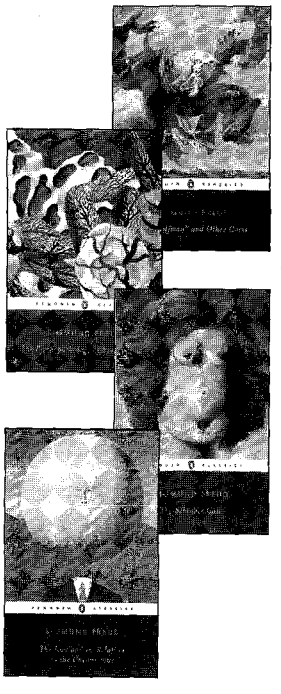

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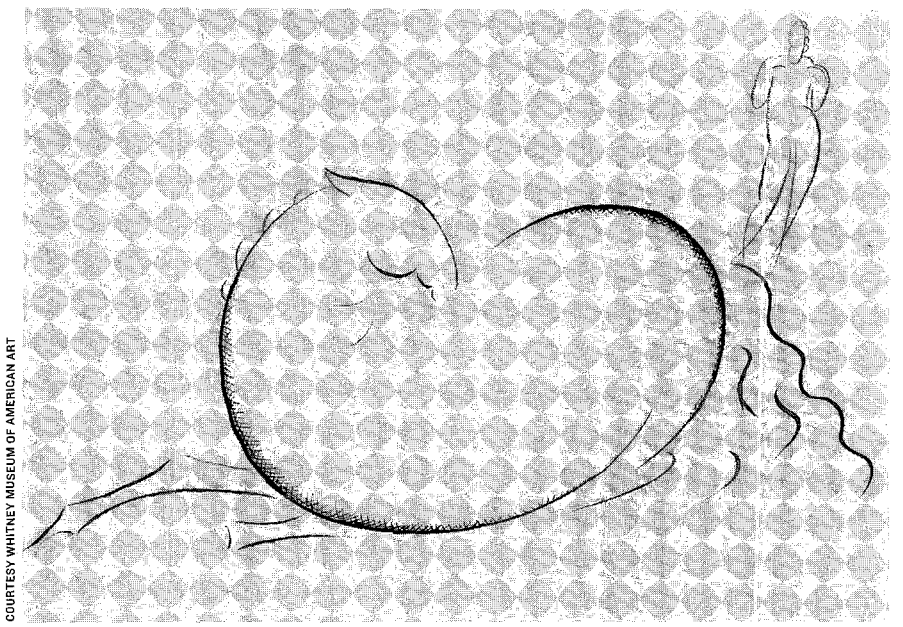
go back to the first appearance of the wood figures in the 1920s, when the brilliant critic Henry McBride observed that "we calmly divided into two ranks, the one half of us liking Mr. Nadelman's return to classicism and the other half preferring the caricatures in wood of modern society." And in a sense the situation became even more complicated after Nadelman's death, when Lincoln Kirstein, that commanding figure in the American arts, almost singlehandedly ensured that Nadelman's achievement would not go unsung. Kirstein organized the first retrospective (at the Museum of Modern Art in 1948), encouraged collectors to take a look at the work, and produced four major texts, including a monograph that has a supercharged imaginative shape that we normally associate with the art of fiction. While Kirstein is far too astute to overlook all that is marvelously mannered and eccentric in Nadelman's art, he sees the sculptor as part of an American artistic aristocracy that re-affirms timeless values in a democratic spirit, and in doing so he folds an image of Nadelman as the chronicler of modern life into an image of Nadelman as the classicist for all time, "concerned with metaphysical pattern, not personal psychic drama."

While Haskell, like everybody who has written about Nadelman, salutes Kirstein, she also hopes to move the discussion forward. When she argues that we can see new sides of Nadelman "in the eclectic climate of postmodernism," she is trying to suggest that developments in the art world since Kirstein completed his major work on Nadelman some quarter of a century ago leave us better equipped to respond to the artist's avidity for popular culture and to the sense of turmoil and unrest that his later, more distorted figures sometimes suggest. Frankly, I am not so sure that all of this wasn't evident to Nadelman's earlier admirers. Whatever Kirstein may say about Nadelman and classicism, when he organized that first retrospective he pretty much picked the high points from every period that we still pick today.

Haskell, confronting the sad fact that Nadelman remains known yet somehow unknown, cannot resist reaching for new approaches. Perhaps it is some idea about postmodern contextualization that has pushed her to emphasize the fact that Nadelman was Jewish, and to argue, although there is no direct evidence for it, that Nadelman's despair over the fate of family members in the Holocaust may have shaped the imagery of some of his later, almost expressionistically distorted doll figures. (There is evidence, indeed, to the contrary. "I personally feel equally strongly for the victims of every race [and] feel that your organization which is concerned with one section of these victims has not the necessary appeal," he wrote to the United Jewish Appeal in 1939.) And perhaps when Haskell exhibits four versions in a row of the magnificent sculpture of a wood dancer, turning Nadelman's singular image into a Busby Berkeley routine, she means to reveal Nadelman's interest in what is now known as serial imagery, and thereby suggest that he is a precursor of Andy Warhol's repeating Marilyns.



COURTESY WHITNEY MUSEUM OF AMERICAN ART

ELIE NADELMAN, *Reclining Horse*, c. 1912

Nadelman's modernity, which Haskell sometimes seems to identify with the artist's emotional responses to current events, is fundamental, a principled stand. What some museumgoers may initially regard as his old-fashioned love for enclosed sculptural form can be more accurately described as a faith in the essentially abstract nature of pictorial expression. For Nadelman, formal dynamics are the core of art, which means that many of the elements that are so beguiling in his work—the allusions to antiquity, to popular culture, to childhood amusements—function not as references to experiences but as a sort of metaphorical perfume that arises from the boisterous physicality of compositional invention. In a statement that he published in 1910, Nadelman took his place among the founders of the modern spirit when he declared that the life of art was nothing more or less than "the life of form." As Nadelman wrote these words, he was summoning up an aerial geometry of powerfully curved lines, and he explained that these bounding, leaping arcs were arranged "in accord or in opposition to one another" so that "the life of the work [would] come from within itself." He was picking up on the ideas of Hildebrand and anticipating those of Clive Bell and Roger Fry when he declared that "the subject of any work of art is for me nothing but a pretext for creating significant form, relations of forms which create a new life that has nothing to do with life in nature, a life from which art is born, and from which spring style and unity."

Reading these inspiriting words, which Nadelman would echo in statements over the next fifteen years, we are brought face-to-face with the artist's struggle to liberate artistic expression from the bonds of old-fashioned narrative, of metaphoric specificity, of what-you-see-is-what-you-get realism. Yet this is a complicated kind of liberation, for the artist still longs to re-engage with metaphor and narrative and realism, only now on a new level, where connections are more spontaneous, a matter

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not of the imitation of life but of the creation of life. If Nadelman's imaginative freedom produces an art that has its share of ambiguities, it may be because his experimental spirit reflects both a classicist's search for timeless truths and a romantic's struggle to be absolutely himself. The fact is that in order to achieve the homogeneity of a true classicism, which he surely desired, Nadelman had to be something of a romantic individualist. In theory, the romantic says that it is the individual's perceptions that matter, while the classicist says that it is the timeless ideals that matter; but in practice something rather odd can occur. The romantic, who hangs everything on the individual, can create a sense of wholeness more easily than the classicist, who in seeking to set the self to the side provokes an increasingly complex relationship between the self and the world.

Nadelman, the classicist who aims to "create a new life that has nothing to do with life in nature," is a man of romantic longings. And it is the mingling of romantic individualism and classical equilibrium that accounts for the haunted, muffled, there-but-not-quite-there beauty of so many of his unforgettable figures. In Nadelman's sculpture, the particular and the general, and the power of the general to become particular, are held in a bewitching high-wire balance. Through the very act of refusing to wear his heart on his sleeve, this great sculptor pushes us to go in search of his heart. Perhaps that is what Henry McBride had in mind when he observed that Nadelman's art "is cultured to the breaking point." Nadelman's triumphant classicism is tinged with disquietude, a disquietude that we experience as melancholy's afterglow. ■

Robert Kagan

The Ungreat Washed

Why democracy must remain America's goal abroad.

THE FUTURE OF FREEDOM: ILLIBERAL DEMOCRACY AT HOME AND ABROAD
By Fareed Zakaria
(W. W. Norton, 286 pp., $24.95)

MIDWAY THROUGH FAREED Zakaria's attack on democracy, one realizes that his animus toward popular government is not only theoretical but also personal, and in some ways it is even quite understandable. The unique perils of democracy upon which Tocqueville long ago speculated—the "tyranny of the majority," the debasement of the culture, the tearing down of elites—are not abstractions for Zakaria, but phenomena that he experienced first-hand as an Indian Muslim growing up in Bombay in the 1960s and 1970s. The child of elites—his father was a leading Indian politician, his mother an editor of the Sunday *Times* of India—Zakaria remembers (in a recent profile in *New York* magazine) that his family "knew everybody," and "saw the best architects, government officials, and poets all the time. Nothing seemed out of your reach."

But even during those happy, privileged years, what Zakaria remembers as the ordered, liberal secularism of Nehru's India was beginning to fray. In his book, Zakaria recalls that the dominant Congress Party "morphed from a vibrant grass roots organization into a fawning, imperial court" under the thumb of Indira Gandhi, whose "populist policies ... were often unconstitutional and certainly illiberal." Then the Congress Party itself declined as India's dominant political institution. While many outsiders viewed the passing of one-party rule and the emergence of genuine political competition in India as a promising democratic development, for Zakaria this democratic progress was no progress at all. Democratization and the opening of the Indian political system gave rise to new parties that vied for the allegiance of new voters—"almost all," Zakaria observes, "from poor, rural, and lower-caste backgrounds." The growth of political participation by these once-excluded groups "made India more democratic." And the consequence, Zakaria argues, was that it "also made it less liberal."

Democratization in India, in Zakaria's view, proved disastrous for the nation, and especially for its large Muslim minority. The most potent new challenger to the Congress Party was the Hindu fundamentalist Bharatiya Janata Party (BJP). In its years in opposition, Zakaria recounts, the BJP employed an anti-Muslim and anti-Christian "rhetoric of hatred" to fire up its voters. Since coming to power, the BJP—although mellowed somewhat by the need for political compromise—has still been leading a Hindu nationalist revival. The consequences, Zakaria insists, have ranged from the horrific to the absurd. In Gujarat in 2002, the local BJP government was complicit in "India's first state-assisted pogrom," in which thousands of innocent Muslim men, women, and children were massacred. (For some reason, Zakaria does not mention the massacre of fifty-eight Hindus that preceded the anti-Muslim violence.) India's largest state, Uttar Pradesh, dominated by the BJP and "two lower-caste parties," has become a sea of corruption, a "bandit democracy." The Indian justice system has become, according to Zakaria, "a corrupt handmaiden of political power." Zakaria's hometown of Bombay, "a city built by its great minority communities," once "vibrant, meritocratic, and tolerant," has been destroyed by this officially sponsored Hindu revival in service to what Zakaria considers a ludicrous Hindu nationalist mythology. "The renaming of Bombay as Mumbai in 1996," he remarks, "illustrates the invented quality of much of Hindu nationalism."

"This is the reality of democracy in India," Zakaria declares in the most intensely personal passage of his new book. And yet, he complains, "no one in the West wishes to look at it too closely. We prefer to speak romantically about

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the beauty of Indians voting and the joys of the world's largest democracy." "Thoughtful Indians," Zakaria explains, "do not quite see it this way."

ZAKARIA HIMSELF IS NOT ROmantic about democracy and democratization. He holds democracy responsible for many of the modern world's evils, from ethnic violence to poverty, repression, and war, and even for international terrorism, which he calls the "democratization of violence." About one-third of his book derives from an essay that he published in *Foreign Affairs* in 1997, called "The Rise of Illiberal Democracy," in which he argued that democracy was not the necessary, appropriate, or even desirable form of government for many if not most countries around the world. In describing what he thinks is the new phenomenon of "illiberal democracy," Zakaria argued—and he repeats the argument in his book—that "democratically elected regimes" are now "routinely ignoring constitutional limits on their power and depriving their citizens of basic rights and freedoms." Citing examples from Russia and Belarus to the Philippines, Kazakhstan, Venezuela, and Argentina, Zakaria claims that "in many developing countries, the experience of democracy over the past few decades has been one in which majorities have—often quietly, sometimes noisily—eroded separations of power, undermined human rights, and corrupted long-standing traditions of tolerance and fairness." Curiously, Zakaria does not mention India, although it seems by his own description to be the quintessential example of a democracy gone "illiberal"—"less tolerant, less secular, less law-abiding, less liberal."

The sins of democracy go beyond the trampling of rights to include economic malfeasance and the impoverishment of peoples (in Russia, for instance, and post-Suharto Indonesia), the unleashing of religious fanaticism (notably in the Muslim world), the stoking of ethnic hatreds (in the Balkans, Africa, Central Asia, and the subcontinent). Drawing on the work of the political scientists Edward Mansfield and Jack Snyder, Zakaria even asserts that, contrary to conventional wisdom about the "democratic peace," democracies are more prone to militarism and war. When political systems are "opened up," he claims, new groups of enfranchised voters make incompatible demands on leaders, who in turn try to "rally the masses" behind aggressive nationalist crusades.

AND WHAT OF THE BIGGEST and oldest democracy of them all? In his essay, Zakaria made a distinction between the "illiberal" democracies proliferating around the developing world and the liberal democracy enjoyed by the United States. But the subtitle of his new book is "Illiberal Democracy at Home and Abroad," and Zakaria devotes almost half the book to cataloguing the catastrophic effects of "illiberal" democracy in the United States. "The troubles of American democracy," he argues, "are similar to those being experienced by countries across the globe." Most Americans are disgusted with their democratic system; "they are repulsed by it." They "have lost faith in their democracy." They are experiencing a "crisis of faith" in democratic governance. And with good reason, Zakaria insists, because "something has gone seriously wrong with American democracy."

The problem with democracy in America, Zakaria maintains, is that there is simply too much of it. The old powerful elites that used to dominate every segment of American society have been pulled down and replaced by "a simple-minded populism," with disastrous consequences. In the realm of politics, "the quality of political leadership has declined." Fifty years ago the nation had Dwight D. Eisenhower; today it has George W. Bush—thus Zakaria quotes an unnamed "scholar in his eighties." ("We were having lunch in the paneled dining room of one of New York City's grand clubs.") Meanwhile, direct democracy in the form of initiatives and referenda has taken governance out of the hands of political elites and placed it in the hands of an irresponsible and shortsighted citizenry. Proposition 13, the famous California tax-cutting measure of 1978 so celebrated by Reagan-era conservatives, was a terrible precedent, in Zakaria's view, because it led to an explosion of such citizen movements. As a result of this democratization, especially within the American party system, for three decades Americans have had "their leaders bow and scrape before them."

And the unfortunate impact of democracy extends well beyond politics. It has also had pernicious effects on business, law, medicine, religion, journalism, and culture. There, too, the nation has suffered from "the eclipse of the class of elites who ran these institutions" and has been harmed by "the opening up of many American industries and professions to outsiders." Zakaria traces the undoing of the American financial system, for instance, in part to Chase Manhattan Bank's shift in the 1990s toward a strategy of "catering to the great unwashed." There was a time, Zakaria argues, when American bankers such as J. P. Morgan awarded credit to men with good "character"; but his successors failed in "a financial world dominated by mass rather than class." Today's stock market is "geared toward everyday investors ... everyone, king and commoner alike, has become a capitalist"—a partial fulfillment, Zakaria complains, of the Southern populist Huey Long's rallying cry, "Every man a king!" If the "symbol of the old order was a Wall Street club where a handful of power brokers lunched, the symbol of the new was CNBC, where CEOs vied for airtime to speak to a mass audience." The once elite legal profession has destroyed itself by permitting lawyers to advertise to the common man. And doctors, too, have "lost their privileged perch" in society and become like everybody else.

Catering to the "great unwashed" has also destroyed the media. In television, Zakaria complains, the days are gone when Don Hewitt, producer of the "now-legendary" *60 Minutes*, could be told by his network bosses simply to "make us proud." Yes, Zakaria concedes, there may still be some "serious news programs ... [that] were started decades ago and built their audience gradually over those years" (he may be referring to ABC's *This Week*, on which he appears), but ever since ABC and the two other "traditional networks" lost their monopoly, television news has been engaged in a "race to the bottom." And the same goes for print journalism. While there still remain, for Zakaria, a few serious publications whose owners "are willing to subsidize excellence," such as *The New Yorker* (where he also appears), and while there is at least one mass-circulation magazine that "still covers the news seriously and in depth," such as "*Newsweek*, where I work," these quality publications are becoming fewer and fewer.

The problem extends even to think tanks. Venerable institutions such as the Council on Foreign Relations, where Zakaria also worked, are "worthy and duti-

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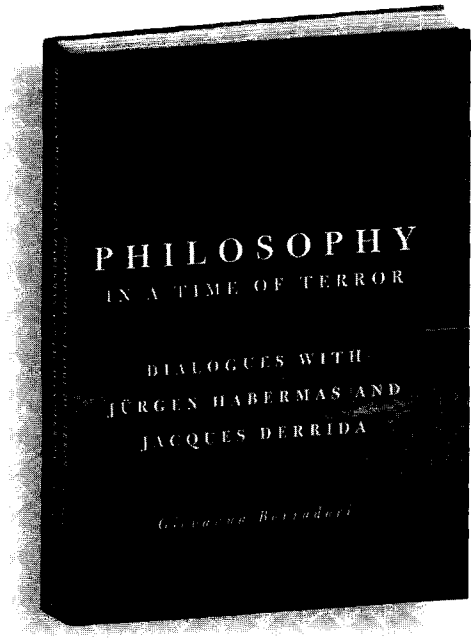
ful" for having created a "foreign-policy discussion for the country that was civil and not permeated with partisanship." But Zakaria's own think tank and the equally venerable Brookings Institution (also "designed to serve the country beyond partisanship and party politics") are exceptional in this respect, for "almost every institute and think tank created in the past thirty years is deeply ideological." In Zakaria's view, this is principally because the new think tanks were founded by conservatives seeking to erect a "counter-establishment" to challenge the old elites. But instead of creating "independent institutions" for "free-thinking intellectuals," the conservative think tanks have blindly "pushed their own partisan line." The scholars at these conservative institutions, Zakaria writes, are "chosen for their views, not their expertise." As a result, they produce "lots of predictable polemics and little serious analysis."

Finally, there is the debasement of the culture by its democratization. There was a time, Zakaria recalls, when the nation's tastes were set by men who "had a feel" for what Zakaria calls "cultural content"—men such as Harold Ross, the "legendary" editor of *The New Yorker.* But no longer. There was a time when Americans looked for guidance to Philippe de Montebello, the "legendary" director of the Metropolitan Museum of Art, but now museum directors pander to the masses.

Zakaria's answer to this rampant excess of democracy in America is to "resurrect, in some form, the institutions and elites" that dominated America in the past, and to return to them the authority that they have lost. Specifically, he has in mind the sweeping delegation of economic, political, social, and cultural power away from average Americans to an elite corps of experts. Zakaria's model for American government is the American corporation. "Delegation is, after all, how modern business is run. Shareholders own companies but hand over their management to people who can devote time and energy to it and who have expertise in the field. Shareholders retain ultimate control but recognize that they cannot run the companies themselves." Zakaria argues that it is ridiculous to believe that "any amateur" should determine the policies of the nation. Americans somehow think that "although we cannot file our tax forms, write our wills, or configure our computers, we can pass laws ourselves." He insists that it is time for Americans to "admit that, without guidance or reference to authority, people can make bad choices." What the United States needs, in short, "is not more democracy but less."

IN MAKING HIS CASE AGAINST American-style democracy, Zakaria points admiringly to the European Union as an example of how "undemocratic policy-making" can be preferable to democratic policy-making. While many in the United States and Great Britain complain about the EU's so-called "democracy deficit" and the bloated, imperious bureaucracy of Brussels, Zakaria finds much to admire in the EU bureaucracy. It is effective, he argues, "precisely because it is insulated from political pressures." Zakaria asserts that economic reforms made in Europe over the last decade were possible only because of the "pressure" and "power" of Brussels.

PHILOSOPHY IN A TIME OF TERROR



Dialogues with Jürgen Habermas and Jacques Derrida

Giovanna Borradori

"This is in many ways the first real engagement between Derrida and Habermas, two eminent thinkers who disagree on a great many issues and who have until now been perceived as speaking very much at philosophical cross-purposes. Each has some searchingly original and important things to say about the terrorist attacks and their political aftermath, not least in light of the threat posed by the Bush administration and its drive for global economic and military-strategic dominance. Borradori has done an excellent job in editing the interviews and drawing her collocutors out on a range of issues that neither has previously discussed with so powerful a sense of moral and political urgency."—Christopher Norris, Cardiff University

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The United States can learn from the example of the European Union, Zakaria believes. Above all, American policymakers must learn to ignore public opinion. Zakaria begins his book by recounting the story of Odysseus ordering his men to tie him to the ship's mast so that he would not follow the Sirens' call and wreck his vessel on the rocks toward which their sweet singing beckoned. In Zakaria's analogy, the Sirens are the American people—the "great unwashed"—who are destroying their nation because their political leaders cannot resist their alluring call. The power now held by the American masses must be transferred to the elites; and America's elites need to grasp that power. They must recover their nerve and recapture their old ethos of responsibility. Noblesse oblige: for Zakaria, this must be the American ideal. He sees it perfectly epitomized in the slogans of Groton Academy, whose motto, "to serve is to reign," aimed to produce "men who played hard but fair, followed a moral code, and believed in public service as a responsibility that came with power."

II.

The Future of Freedom offers, in the words of Niall Ferguson, a "classical defense of aristocratic rule" as a superior alternative to American democracy. And perhaps, as Ferguson suggests, it is a brave thing for Zakaria to make such a case for conservative counter-revolution. For Americans have traditionally looked askance at aristocracy and taken a dim view of the idea that non-elected elites, insulated from politics, should assume much greater authority to run the nation's affairs. To be sure, American elites have always been more enthusiastic about such ideas, and it is notable, if not surprising, to find *The New Yorker*'s Nicholas Lemann, ABC's Peter Jennings, and would-be Secretary of State Richard Holbrooke among those adorning the dust jacket of Zakaria's book with praise of its anti-democratic thesis. But Zakaria, who remarked in that *New York* magazine piece that "my friends all say I am going to be secretary of state," has nonetheless taken the risk, as he puts it, of speaking out about the "dark sides" of democracy. Meanwhile others hide in the shadows, "silenced by fears of being branded 'anti-democratic'" and "out of sync with the times."

Although Zakaria is courageous enough to cast his harsh spotlight on the evils of democracy, he claims oddly that he is not anti-democratic, that he wants only to protect democracy from its worst tendencies and thereby to strengthen it. But it is difficult to read his book, or the essay from which it derives, and conclude that Zakaria has much fondness for governance by the "great unwashed." The whole thrust of Zakaria's argument and analysis is, by any reasonable understanding of the word, anti-democratic. His critique of democracy "at home and abroad" is a sweeping, no-holds-barred indictment, clearly intended to be damning. That he very occasionally utters some praise of democracy—"overwhelmingly it has had wonderful consequences"—is not at all convincing, especially when each tidbit of praise is followed by the inevitable "but...." Nor is it clear why Zakaria should shy away from the "anti-democratic" label. Zakaria's prescriptions for government both "at home and abroad" are so overtly and objectively "anti-democratic" in intent that it belittles his argument for him to pretend otherwise.

For Zakaria's "classical defense of aristocratic rule" for the United States is matched by an equally classical defense of authoritarian rule for most of the rest of the world. "The need for delegation" in the developing world, Zakaria argues delicately, "is even higher." Most countries, he believes, are unready for democratic government. They would be better off under some form of dictatorship, or what he calls "liberal autocracy." According to Zakaria, "almost every success story in the developing world has taken place under a liberal authoritarian regime." By "liberal," Zakaria means chiefly economic liberalization; and by "success" he means chiefly economic success. Citing Singapore, Indonesia, Taiwan, Thailand, and China, Zakaria argues that only autocratic governments "were able to make shrewd choices for the long term" that allowed the country to prosper and to modernize economically. Meanwhile, "it is difficult to think of a Third World democracy that has achieved sustained growth rates."

Although many readers may be encountering this argument for the first time, the bulk of Zakaria's analysis of the developing world is a simplified recycling of what three decades ago used to be called "modernization theory." The central hypotheses of modernization theory were, first, that authoritarian governments are better than democracies at promoting economic growth and, second, that economic growth and industrialization are prerequisites for the emergence and success of democracy. In the late 1950s and 1960s, many leading political scientists concluded that democracies were an obstacle to economic growth because popular pressures forced governments away from the most efficient economic decisions. Popular government led to inflation, budget deficits, and chronic low growth. The obvious answer was less democracy and more dictatorship. As Samuel Huntington and Joan Nelson put it back then, "Political participation must be held down, at least temporarily, to promote economic development." Once a period of stable authoritarianism created sufficient national wealth, then a transition to democracy became possible, and perhaps even inevitable.

As the political scientist Adam Przeworski describes the presumption of modernization theory, there was a "benign line" running from "economically successful dictatorships to democracy.... Dictatorships would generate development, and development would create democracy as a by-product." Of course, as Przeworski also points out, this assumption "justified supporting dictatorships and letting modernization do the rest." The effect of the Cold War on the thinking of that era is evident in retrospect, as it was to many at the time: the "modernization thesis" fit nicely with the occasional American propensity during the Cold War to support "friendly" dictators as a bulwark against possible Communist revolution.

For Zakaria, not much has changed. The alleged correlation between economic success and democracy is a central pillar in his argument for dictatorship as the preferred mode of government for most of the developing world. More even than many of the modernization theorists upon whom his work relies, Zakaria's argument approaches economic determinism. As he puts it, "Karl Marx understood that when a country modernizes its economy, embraces capitalism, and creates a bourgeoisie, the political system will change to reflect that transformation. Changes in the 'base,' in Marxist lingo, always produce changes in the

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'superstructure.'" National wealth, as measured by per capita gross domestic product, is the surest indicator of a nation's readiness to sustain democratic government.

There is, Zakaria insists, a measurable "zone of transition" within which democratic governance can be expected to succeed. A country "that attempts a transition to democracy when it has a per capita GDP of between $3,000 and $6,000 will be successful." But a country that attempts the transition at a lower income level will probably fail. Nor is this "zone of transition" a reliable indicator only in the modern world. Zakaria claims that the correlation held for nineteenth-century Europe as well. "The per capita GDPs of European countries in 1820, when most of them had taken the first steps toward widening the franchise, hovered around $1,700 . . . growing to about $2,700 in 1870." These figures, which Zakaria admits are based on "heroic assumption and guesswork," would seem to place nineteenth-century Europe below Zakaria's "zone of transition," but he insists that they fall "somewhere within the zone of transition, albeit at the low end." To those who would ask about Saudi Arabia and other dictatorships with a per capita GDP at the high end or even above the "zone of transition," Zakaria's answer, borrowed from a study by two Harvard economists, is that countries whose wealth derives from oil or other natural resources are likely to fail both politically and economically: "Wealth in natural resources hinders both political modernization and economic growth."

THE OTHER PILLAR OF ZAKARIA'S anti-democratic thesis draws on the argument, offered by Huntington in the 1960s, that in all developing countries "order" must precede "liberty." In "modernizing countries," Huntington wrote in 1968 in his influential treatise *Political Order in Changing Societies*, "the primary problem is not liberty but the creation of a legitimate public order." In this respect, in Huntington's view, the world was not divided between dictatorships and democracies, but between governments that could govern and governments that could not govern. In this sense, he asserted, the United States and the Soviet Union had much in common. In phrases that do not read as well today as they may have when he wrote them more than three decades ago, Huntington argued that both the United States and the Soviet Union were "political communities" with "an overwhelming consensus among the people on the legitimacy of the political system." In each country, "the citizens and their leaders share a vision of the public interest of the society and of the traditions and principles upon which the political community is based." Both the United States and the Soviet Union had "strong, adaptable, coherent political institutions: effective bureaucracies, well-organized political parties, [and] a high degree of popular participation in public affairs." Both the American and Soviet governments, Huntington argued, commanded "the loyalties of their citizens." This ability to govern was what developing countries needed most—the question of democracy or dictatorship was secondary. "The problem is not to hold elections," Huntington instructed, "but to create organizations." More than three decades later, Huntington's judgments about the coherence of the Soviet system do not hold up terribly well. But Zakaria applies Huntington's central idea to the present circumstances: "First, a government must be able to control the governed," he writes, "then it must be able to control itself. Order plus liberty." And then, perhaps, after many decades, order plus liberty plus democracy.

Zakaria's "benign line" is more elongated than the one proposed by the modernization theorists of the 1960s. Nations must not only wait to enter the economic "zone of transition" before the people can be allowed to elect their leaders. According to Zakaria, before moving to democracy, they must first put in place all the attributes of an ordered, liberal society. As Zakaria put it in a recent interview, the aim of American policymakers should be not to build democracy but, echoing Huntington, to build the "institutions" that can make democracy possible: "the rule of law, all that stuff."

WHEN DEMOCRACY IS adopted in countries that are not ready for it, then democracy itself becomes pernicious, and not only for the people of the nation in which it is unwisely planted. The product of premature de-

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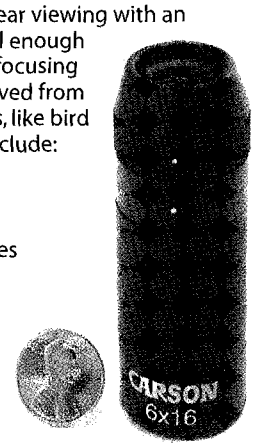

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mocratization is Zakaria's "illiberal democracy," repressive, intolerant, violent, prone to war. Indeed, the proliferation of these "illiberal democracies," Zakaria insists, is the greatest threat that the world faces today—greater even than the world's tyrannies. In a recent *Newsweek* column, Zakaria excoriated those who for many years "had a tendency to vastly exaggerate the threat posed by tyrannical regimes," specifically the Soviet Union during the Cold War and more recently Saddam Hussein's Iraq. Woodrow Wilson had once sought to make the world safe for democracy, but Zakaria insists that it is necessary to "make democracy safe for the world." This is to be accomplished by sharply limiting its spread to those very few places where its pernicious excesses can be contained.

This neologism "illiberal democracy" gained Zakaria's *Foreign Affairs* article a great deal of attention. It is his principal contribution to the present discussion of political development. (The phenomenon was in fact first and most fully elaborated by the political scientist Larry Diamond, in 1996 and 1997, prior to the appearance of Zakaria's article. He distinguished between "liberal" democracies and "electoral" democracies whose governance was nevertheless "illiberal.") It is also central to Zakaria's purpose, for only by demonstrating the reality and significance of "illiberal democracy" as a phenomenon in the modern world can Zakaria make his case that the world suffers not from too little democracy but from too much.

For there have indeed been setbacks in democracies, and perhaps permanent failures to promote democracy in many parts of the world. Political scientists such as Diamond and democracy experts such as Thomas Carothers have long catalogued and ruminated over these failures. But they, like almost everyone else, have asked why democracy has failed. Zakaria's perspective is different. In his view, the problem in many countries is not that democracy fails, but that it succeeds. The evils that we see in the world, he insists, represent the product of democratization, not the failure of democratization. This is not just a question of semantics. Declaring a democracy failed and declaring it an illiberal democracy lead to entirely different prescriptions. If a democracy fails, then democracy itself is not implicated in the disasters that follow, and the remedy might be more democracy. But if the disasters are the product of the success of democracy, then the remedy is, as Zakaria insists, more dictatorship.

III.

SO HOW REAL AND SIGNIFICANT is the phenomenon of "illiberal democracy"? Zakaria claims that it is rampant. But perusing the list of countries he describes as suffering from "illiberal democracy," one discovers that the term, as he deploys it, is rather elastic and inclusive. Indeed, at the heart of Zakaria's analysis is what political scientists like to call a methodological problem.

Consider the example of Belarus. Zakaria labels Belarus an "illiberal democracy," presumably because its ruler, Alexander Lukashenko, won the presidency in a free election in 1994. Immediately after winning, however, Lukashenko began ruling as an authoritarian dictator. In 1996 he extended his term of office by means of a rigged "referendum," and he was "re-elected" in 2001 in another rigged election marked, according to the State Department, by "sweeping human rights violations and non-democratic practices throughout the election period, including massive vote-counting fraud." The survey of world nations conducted annually by Freedom House, which Zakaria himself cites, correctly places Belarus in the non-democratic camp. In short, Belarus is not an "illiberal democracy," or a democracy of any kind. It is a dictatorship.

Nor is Lukashenko's method of hijacking a democracy and turning it into a tyranny exactly a new phenomenon. The history books are filled with democratically elected leaders entrenching themselves in power by undemocratic means. If Belarus is an "illiberal democracy," then so was Nicaragua under three generations of the Somoza dynasty. The Somozas held repeated elections and referenda, too, and they won them all.

One would have thought that to qualify as an "illiberal democracy," a country would first have to meet the minimal standards necessary to qualify as a democracy. Zakaria himself defines the requirements of democracy as "competitive, multiparty elections"; the elections themselves "must be open and fair," which in turn "requires some protections for the freedom of speech and assembly." This is a fairly narrow definition. Huntington more appropriately defines modern democracy as a system in which "the most powerful collective decision makers are selected through fair, honest, *and periodic* elections in which candidates freely compete for votes and in which virtually all the adult population is eligible to vote [emphasis added]." Most political scientists would agree that a nation cannot be called a democracy after only one election. Huntington adds that democracy "also implies the existence of those civil and political freedoms to speak, publish, assemble, and organize that are necessary to political debate and the conduct of electoral campaigns."

SO LET US RETURN TO BELARUS. Lukashenko's government does not meet even Zakaria's narrower requirements for a democracy, much less the more generally accepted requirements spelled out by Huntington and others. Why, then, does Zakaria list it as an "illiberal democracy"? He also lists Kazakhstan as an "illiberal democracy"—a nation whose president, Nursultan Nazarbayev, has been in office for a dozen years. Freedom House categorizes Kazakhstan as non-democratic, and Zakaria himself describes it as a "near-tyranny." Zakaria states that "many illiberal democracies," especially in Central Asia, "have quickly and firmly turned into dictatorships." Indeed many have, and so quickly and firmly that no reasonable observer would designate them as having ever been democracies at all.

But Zakaria is playing a somewhat slippery game. In his discussion of "illiberal democracies" in Central Asia, he cites Azerbaijan's president, Heydar Aliyev. Zakaria acknowledges that Aliyev is really an "autocrat" (although he seems unaware that Aliyev "won" two phony elections). Still, Zakaria writes, "most serious observers of the region suspect that if a free and fair election were held today, Aliyev would win." So in this respect, one supposes, dictatorial Azerbaijan must be counted as an "illiberal democracy." Zakaria also seems to include Iran as an "illiberal democracy," despite the fact that all candidates for election are selected by the dictatorship of the mullahs, and there is no free press, no free assembly, and no legal opposition. (Zakaria describes Iranian "democracy" as "highly restricted.") And what is one to make of Zakaria's extravagant decision, in arguing that democratizing

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nations are more likely to go to war than dictatorships, to cite as an example of a "democratizing" nation the absolutist dictatorial regime of Kaiser Wilhelm II of Germany?

There are equally peculiar inclusions at the other end of the spectrum. It would seem strange to list Argentina in the same category as Belarus. Yet Zakaria labels Argentina another "illiberal democracy," because its onetime president Carlos Menem issued many presidential decrees, "about three times as many" as all previous governments put together. Freedom House more correctly categorized Argentina as both democratic and liberal throughout the Menem years. (This says nothing about the wisdom of Menem's policies.) Nor is it clear exactly why presidential decrees are necessarily "illiberal." A president may exercise his executive power to preserve individual liberties, just as a parliament may exercise its legislative power to constrain those liberties. (The military dictatorships that preceded Menem in Argentina did not have to issue decrees; they issued disappearances.)

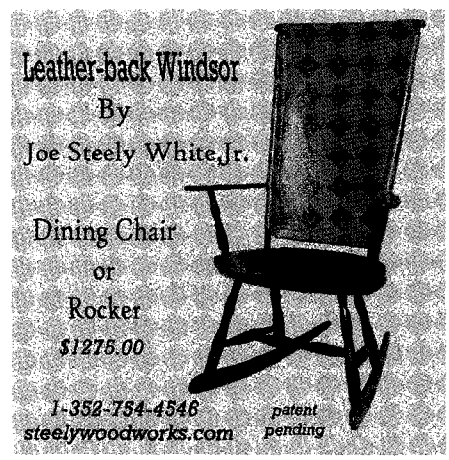
A category that includes Argentina and Belarus, the Philippines and Kazakhstan, and many other equally dissimilar polities is an imprecise category indeed. And although one is tempted to believe that the imprecision stems only from a certain lack of analytical rigor, one also senses that Zakaria's intent is to do as much damage as possible to the reputations of all democracies in the developing world. Calling Belarus a democracy smears all democracies. Throwing Argentina into the same cell with Belarus makes Argentina look guiltier than it is.

ZAKARIA ALSO EMPLOYS OTHER means of smearing democracy. Often he blames democracies for problems for which they bear no responsibility. In order to demonstrate that democracies are incompetent at stimulating economic growth, he cites the case of Indonesia. "Since it embraced democracy," Zakaria observes, "Indonesia's gross domestic product has contracted by almost 50 percent, wiping out a generation of economic progress and pushing more than 20 million people below the poverty line." This is a rather appalling distortion. Indonesia's economy collapsed not after Indonesia "embraced" democracy but before, during the last two years of the Suharto dictatorship and as a result of the Asian financial crisis of 1997–1998. Per capita GDP dropped from $1,100 in 1997 to $487 in 1998, the year Suharto fell. Indonesia's first parliamentary elections were held a year later, in June 1999, by which time the economy had already collapsed and the 50 percent contraction to which Zakaria refers had already taken place.

This tendency to blame democracy for problems for which it cannot justly be blamed permeates Zakaria's book. He blames democratization for the ethnic warfare in Yugoslavia as it broke up in the early 1990s, arguing that "the introduction of democracy" there "actually fomented nationalism, ethnic conflict and even war," and that this proves his general point, which is that "democratizing societies display a disturbingly common tendency toward" violent behavior. But does Zakaria believe that ethnic conflict would have been avoided after the breakup of Yugoslavia had Serbia been in the hands of an unelected dictator? No, he shies away from making such an absurd claim. He admits that dictatorships are "hardly innocent" of fomenting ethnic conflict. Indeed they are not. Nor does the history of the Balkans, filled as it is with ethnic violence over the centuries, lend support to Zakaria's assertion that somehow it was "the introduction of democracy" that was responsible for sparking ethnic warfare in the 1990s. Nor would any sensible person hold democratization responsible for ethnic conflict in parts of Africa, where tribal warfare has thrived in all political climates.

ZAKARIA ALSO BLAMES DEMOCracy for unleashing Islamic radicalism and religious conflicts that, he claims, had been kept under control by "liberal autocrats." He cites Indonesia as one such case. Suharto's "strongman" rule was "far more tolerant and secular" than the democracy that followed his overthrow in 1998, and whose "newly open political system has ... thrown up Islamic fundamentalists." This is another historical distortion. It is true that in the first decades after independence, secularism was part of the Indonesian social compact. But as Jacques Bertrand, the prominent expert on Indonesia, explained in a recent article in *Pacific Affairs,* the roots of religious conflict in Indonesia can be traced back to the 1980s and 1990s, when Suharto, worried about his increasingly precarious control of the country, deliberately "shifted to Islamic groups for political support." Zakaria himself notes that in Pakistan it was the military dictator Zia ul-Haq who embarked on an "Islamization" program that fostered the militant fundamentalism we know today, and with the funding provided by another dictatorship, the Saudi Arabian monarchy.

In an offhanded remark Zakaria even claims that democracy was responsible for the perpetuation of slavery in the United States. "Slavery and segregation were entrenched in the American South through the democratic system," he argues, because "the majority of southern voters defended it passionately." This is a marvelous inversion of history. Slavery, in fact, was perpetuated not by democracy—slaveholders and their supporters in the South represented a minority of voters in the nation—but precisely by all the undemocratic elements of the



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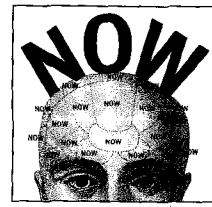

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American system of government that Zakaria now celebrates and wishes to recover: by one undemocratic clause in the Constitution that counted a non-voting slave as three-fifths of a voter so as to give Southern states a disproportionate influence in Congress, and by another clause in the Constitution that gave each state two senators regardless of their population, which was also partly designed to give disproportionate weight to the slaveholding South; by an undemocratic Supreme Court that consistently upheld the "liberal" principle that the slaveholders' human "property" could not be taken away by the government, even in non-slave states; and by a Senate, already weighted undemocratically in the South's favor, in which the slave states were capable of thwarting the will of the non-slave-state majority by means of the filibuster and other undemocratic practices. Southern Senators employed those same practices to block civil rights legislation during the century that followed the Civil War.

IV.

ZAKARIA'S PROCLIVITY TO EXPOSE the "dark sides" of democracy, including many that do not exist, is matched by his propensity to mythologize the virtues of what he calls "liberal autocracies" and to turn a blind eye to their vices. Although he spends comparatively little of his time describing the nature of the dictatorship that he would like to impose on most of the developing world in place of democracy, and although he cannot name more than one "liberal autocracy" in today's world—it is, of course, the tiny city-state of Singapore, which he admires—Zakaria does find much to praise in the dictatorships of the past: the governments that ruled South Korea and Taiwan from the 1950s through the late 1980s, Augusto Pinochet's Chile, Suharto's Indonesia, the onetime dictatorships of Malaysia and Thailand, the late one-party dictatorship of Mexico.

All of these dictatorships Zakaria lumps together under the benign narrative of the "modernization" paradigm. In his version of history, these dictatorships "liberalized, people's lives improved, [and] economic reforms took place, followed by democratic openings." The dictators made "shrewd choices" that created "economic growth." They "liberalized the economy, the legal system, and rights of worship and travel, and then, decades later, held free elections." The "liberalizing autocracies" thus "laid the groundwork for stable liberal democracies"; democracies would not have been possible without the work done by the dictatorships that preceded them. In the end, of course, the autocrats were overthrown by an angry populace, despite their benevolent rule. But this was in the nature of things, the inevitable course of modernization theory's "benign line."

Zakaria likens these dictators to Moses: "The role of the modernizing autocrat is biblical; like Moses, he can lead his country forward, but he rarely makes it to the promised land himself." This analogy may be the most revealing clue about Zakaria's whole way of thinking about dictatorship and democracy. For it implies not only that dictatorships objectively create the conditions for democracy, but also that such is their intent. But the reader may be left with a question: if democracies followed dictatorships in these countries, was it because of the dictators or in spite of them?

TAKE THE CASE OF SUHARTO'S Indonesia. Zakaria praises Suharto for having "achieved order, secularism, economic liberalization," and tolerance in that difficult country. In Zakaria's telling, Indonesia under the Suharto dictatorship followed the classic modernization narrative. Suharto was one of those "liberal autocrats" who made "shrewd choices" about the nation's economy. Suharto's Indonesia "liberalized its economy," which grew at 7 percent per year for almost three decades. And then, Zakaria notes, Indonesia "embraced democracy."

The remarkable thing about this story is that Zakaria himself contradicts it elsewhere in his book, albeit when he is trying to make a different point about Indonesia. In addition to wanting to praise the dictator Suharto, Zakaria also wants to argue that Indonesian democracy is a failure because democracy came to Indonesia prematurely. When making this particular argument, Zakaria points out that Suharto had not prepared Indonesia for a democratic transition after all. It was "bereft of political institutions, since Suharto ran the country through a small group of courtiers, paying little attention to the task of institution-building." Nor had Suharto alleviated Indonesia's dependence on natural resources as its main source of wealth. Nor, according to Zakaria, had Suharto managed to lift Indonesia's per capita GDP to the magical "zone of transition." "Strike three," Zakaria declares in condemning the struggling democracy of Indonesia to likely failure. But if anyone struck out, it was Suharto, not Indonesian democracy. And one might add a fourth strike, since Suharto's "shrewd" economic decisions—including the shrewd decision to plunder the Indonesian economy for his own and his courtiers' personal enrichment—helped to plunge the nation into the abyss in 1997 and 1998.

SOUTH KOREA IS ANOTHER OF Zakaria's favorite success stories, "governed for decades by military juntas" that "liberalized the economy, the legal system, and rights of worship and travel, and then, decades later, held free elections." But the story of South Korea's political and economic development is rather more complicated. For one thing, South Korea was not simply an autocracy in the decades after World War II. It was also partly democratic: Korea's first president, Syngman Rhee, faced a genuine political opposition in the Korean Democratic Party, and the Korean National Assembly provided a forum for the opposition to voice dissent. Korea's short-lived Second Republic, formed after the United States forced Rhee's departure in 1960, was a full-fledged democracy with a bicameral legislature, a stronger National Assembly, and a free press. Even when the military strongman Park Chung Hee seized power in a coup in 1961, no doubt realizing that the nation's per capita GDP of $1,460 was below the democratic "zone of transition," he nevertheless continued to hold relatively free elections, a couple of which he almost lost to his KDP opponents.

Once again we enter the murkiness of Zakaria's categories: was South Korea from 1945 through 1972 one of his good "liberal autocracies" or one of his bad "illiberal democracies"? Once again, Zakaria's decision to place a country in one category or the other depends on the point that he is trying to make. In fact, South Korea became a full-blown autocracy only in 1972, when Park almost lost the election to his political rival, the opposition leader Kim Dae Jung. That year Park seized full dictatorial power, and he preserved this autocracy until his assassination in 1979. But was Park's autocracy "liberal"? Park

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certainly produced economic growth through *dirigiste* economic policies that worked miracles for a while before they ultimately came a cropper in the late 1990s; but unless one happened to be a favorite of the regime, one of Park's "crony capitalists," one could not expect the full panoply of individual rights to be protected.

During Park's autocratic reign, the Korean CIA ran amok, torturing and murdering opposition leaders and suspected subversives. Regime opponents were tied spread-eagle over a flame in what became known as the "Korean barbecue." In 1979, when Park was assassinated, the government responded to mass protests in Kwangju with murderous force—Korea's equivalent of the Tiananmen Square massacre. The next year the regime prepared to execute opposition leader Kim Dae Jung. Is this what Zakaria means by "tolerance" and respect for the "rule of law"? Was the Park military dictatorship creating constitutional liberalism as the prerequisite to liberal democracy?

DURING ALL THOSE YEARS OF Park's brutal rule, Korea's per capita GDP was passing squarely into Zakaria's "zone of transition," but the transition to democracy did not come. In 1979, when the Korean military was massacring protesters in the streets of Kwangju, Korea's per capita GDP stood at $4,530. General John Wickham, the commander of American forces in Korea, must not have been aware of this decisive statistic, for after the Carter administration had virtually endorsed the use of force to put down the Kwangju protests, he declared, "I'm not sure democracy the way we understand it is ready for Korea, or the Koreans ready for it."

Zakaria's contention, of course, is that Korea was in fact not "ready" for democracy in 1980, even though its per capita GDP was around $4,500, but that it was "ready" by the end of that decade, when the per capita GDP was around $8,000. "What made [Kim Dae Jung] fail in the 1970s but succeed in the 1990s?" Zakaria asks. Some might argue, without any reference to economics, that it was the fact that in 1987, unlike in 1980, the U.S. government demanded that the military junta hold free elections or risk the loss of American support. Or that Korea's military leaders, recalling what happened to Park, decided they would prefer to die of old age rather than in a hail of bullets. Or that both the Korean people and their leaders, all of whom had some experience with and recollection of democracy in the 1950s and 1960s, had grown weary of Park's brutal military authoritarianism.

Perhaps the Korean people did not need to be made "ready" for democracy. Maybe what they needed was not more GDP growth, but someone to help rid them of the military junta that had hijacked the democracy the Koreans had started to build after World War II. Fortunately, after many years of dithering, the United States finally helped them to do just that. But Zakaria dismisses these emotional and moral factors, these human factors, as well as the notion that the United States played a role in aiding Korea's transition to democracy. "As a matter of scholarship," he insists, the answer is per capita GDP.

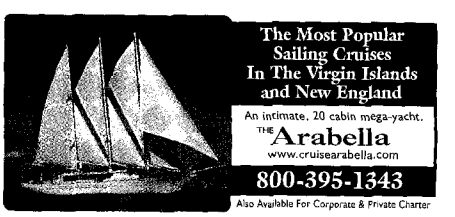
THE CLASH BETWEEN ZAKARIA'S deterministic "scholarship" and the true history of his "liberal autocracies" appears again in the case of Chile. Pinochet is another poster child for Zakaria's modernization thesis, the man who brought order and economic growth to Chile in the 1970s and 1980s, and thus allegedly laid the groundwork for the Chilean democracy that blossomed in the 1990s. Zakaria seems to forget, again, that Chileans, like Koreans, knew democracy before Pinochet. As Thomas Carothers has pointed out, "Chile's post-Pinochet democratic success has as much to do with Chile's long pre-Pinochet history of democracy as it does with the economic groundwork Pinochet laid." In fact, Pinochet did not need to make Chile "ready" for democracy. Chilean democracy needed to be rescued from Pinochet. And it was rescued from him, again with American assistance.

Certainly the most striking thought offered by Zakaria is his assertion that autocrats such as Suharto, Park, and Pinochet were like Moses, leading their people to the promised land of democracy but not quite entering it themselves. This is a bizarre notion. None of these dictators had the slightest intention of preparing their countries for genuine freedom and real democratic rule. To the contrary, their aim was to perpetuate their power for as long as possible. In that effort, they did their best to destroy institutions and opposition forces that might someday pose a challenge to their dictatorial rule. And if they failed at times to wipe out their opposition entirely, it was due to pressures from outside, especially from the United States. If there is an analogy to be drawn from Exodus, these dictators were more like Pharaoh than like Moses. They never had any plans to let their people go. And that is why they did not make it to the "promised land."

ZAKARIA'S SYMPATHY FOR THE dictator, his tendency to attribute to tyrants a decisive role in preparing the ground for democracy, is related to his rather contemptuous view of the "great unwashed" over whom they ruled. Not only does Zakaria presume that the people, left to themselves, could never have reached the promised land without their tyrannical Moses. In Zakaria's view, the dictators saved their countries, and the world, from the inherent, dangerous illiberalism of the masses.

Today Zakaria hopes that other dictators will do the same. He praises many dictators in this book, but he singles one out for special acclaim. Some readers may be surprised to learn that Zakaria's paragon is Pervez Musharraf, the current dictator of Pakistan. According to Zakaria, this "liberal autocrat" has "boldly, decisively, and effectively" pursued a "path of radical political, social, educational, and economic reform." And Zakaria insists that "if genuine liberalization and even democracy come to Pakistan it will come not because of its history of illiberal democracy but because it stumbled on a liberal autocrat."

Again one puzzles over Zakaria's categories, since Musharraf, like Lukashenko, not so long ago held a "referendum" extending his term as president by another five years (he claimed to have won 97.5 percent of the vote), and there have been elections for Pakistan's parliament. But whatever designation one gives to Pakistan's form of government under Musharraf, it would not include the word "liberal." The State Department, with no incentive to criticize this essential "partner" in the war on terror-



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ism, describes Musharraf's human rights record as "poor." Freedom House places Pakistan squarely in the "Not Free" category, neither democratic nor liberal. And as Zakaria's own book went to press, he found it necessary to admit that "as of this writing, Musharraf seems somewhat more autocratic and somewhat less liberal than he seemed at first flush [*sic*]." Yes, that happens. But this late realization has not affected Zakaria's unbounded admiration for Musharraf. Perhaps one may be forgiven for concluding, therefore, that Zakaria likes Musharraf not because he is a "liberal autocrat," but simply because he is an autocrat and "because he did not have to run for office."

NOWHERE IS THIS PRO-dictatorial, anti-popular prejudice more evident than in Zakaria's characterization of present-day China. For in China, Zakaria claims, the government is "on many issues more liberal than its people." One might wonder how Zakaria knows this, since the actual opinions of the Chinese people are rather difficult to measure, given that free expression on political matters is forbidden and punishable by imprisonment, torture, and death. Still, Zakaria insists that the Chinese people are more "intolerant and aggressive" than the rulers in Beijing. Indeed, he compares today's China to Germany in the late nineteenth century. Both nations, he claims, could be described as "trapped between regimes that wouldn't liberalize enough," on the one hand, and, on the other, "mass movements" that Zakaria describes as "hypernationalist, fascist, communist—and ultimately *illiberal*." (This, by the way, is as much a slander of the German people under Kaiser Wilhelm as it is of the Chinese people under the Communists.) The Chinese people, in Zakaria's view, are dangerous, and best kept on a short leash by their government.

Zakaria feels compelled by political fashion to write that "the current regime in Beijing should not suppress dissent or slow down political reform." But Zakaria's real point is the opposite. He warns Chinese leaders that "they would do well to liberalize with care and incrementally." Not too fast, gentlemen. And one can be sure that the Chinese dictators will take this worldly warning to heart, that they share this concern about the premature democratization of what they must agree is their dangerously illiberal people. "It is easy to believe that more democracy" in China "would mean more liberty," Zakaria writes. But "in the short term, the opposite is true." One day, of course, China will democratize, following the iron law of GDP growth; but "in the short term," Zakaria insists, however long that may be, China, like the rest of the world, including America, needs less democracy, not more.

Fear of the people and trust in dictators may be the two constants in Zakaria's confused and often murky analysis. For he is equally confident that Arab dictatorships, while admittedly "autocratic, corrupt, and heavy-handed," are still "more liberal, tolerant, and pluralistic" than the people they rule. And that is why "the West must recognize that it does not seek democracy in the Middle East." At least not until the Arab societies have first achieved "constitutional liberalism."

V.

IT IS POSSIBLE THAT MANY OF THOSE who find Zakaria's analysis troubling will agree that in some measure it is at least realistic. Surely it is true, after all, that political development and economic wealth are closely related. Surely dictatorships have been more effective promoters of economic growth than democracies. Surely economic growth has in turn been essential to the democratic progress.

And so it may be worth pointing out that, according to the most thorough and recent studies of this issue—studies upon which Zakaria himself relies—the answer on both points seems to be no. As Adam Przeworski noted in a recent article in the *Harvard International Review* summing up the current state of political science wisdom, the once common views "that dictatorships promote development and that development breeds democracy are both false." There is now a broad consensus that "dictatorships and democracies ... do not differ on the average in their annual rates of growth in total income." The fact is, most countries that begin poor stay poor, regardless of type of regime. Those countries that manage to escape poverty are just as likely to be democratic throughout their period of economic growth (Japan, Ireland) as they are to be dictatorial (Singapore, Malaysia) or to undergo transition from dictatorship to democracy (Portugal, Spain, South Korea).

Nor is there a direct correlation between economic wealth and the transition to democracy. And even though there appears to be a correlation, as Zakaria points out, between economic wealth and the sustainability of democracy, Przeworski, on whose research Zakaria depends, notes that "these thresholds vary enormously": "India had a per capita income of about $556 in 1947, the United States had an income of roughly $1,100 in 1830—years when both countries established lasting democracies."

So is there any relationship between economic development and political development? In truth, no one quite knows. There is always a certain arrogance in telling other peoples what form of government best suits them. But it is worse than arrogant to tell people that they are better off under tyranny, when in truth we do not have the faintest scholarly idea whether this is the case or not. Przeworski sensibly suggests that the experience

The First Star

There are no paperwhites on the meadow edge
this time of year; only snow that shimmers
like paperwhite petals in the farewell window
of March's postponed clemency, dune-blown
with skirt-pretty ripples like someone cared.
Why come out here and think of paperwhites
bent toward a window with their clusters
of cups of six-tricks listening when the deer
are standing on the valley's facing hill?
The sound of my own voice substitutes
for the voice of God. *Here I am.* And, of course,
the sudden windscatter on snow like sand
and a few maples clacking. The day dies
and an invisible coydog pack descends
on the fawn of my optimism. The first star
hovers out of nowhere. For courage's sake,
I think it is as real as a blown flag shadow.
But it could be the spark in air at the end
of a whip on the back of a nightmare.

JOHN POCH

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of political scientists over the decades should be reason for caution "against pretending that we know more than we know." One would think that such caution might be applied particularly by those fortunate Americans who would recommend a form of government for others that is sharply at variance with the political principles—some have even called them "universal" principles—upon which the United States itself rests.

IT REMAINS ONLY TO ADDRESS ZAkaria's central claim, that liberalism and democracy are distinct and unrelated, and that democratization may impinge on liberalism more than autocracy does. At first blush, the idea that democracy can be "illiberal" seems reasonable enough. Few people have ever claimed that elections alone are sufficient to protect individual liberties. And in theory at least, "democracy," which is a process of choosing leaders, is not necessarily related to "liberal" governance, which is more about protecting individual liberties against the state.

But as Marc F. Plattner, the editor of the extraordinary *Journal of Democracy*, argued when Zakaria's original essay appeared, Zakaria's claim that constitutional "liberalism" is "theoretically different and historically distinct from democracy" ignores the "deeply egalitarian and majoritarian dimension" of modern liberalism. "The political doctrine at the source of liberalism," Plattner explains, holds that "all legitimate political power is derived from the consent of individuals, who are by nature not only free but equal." As Locke put it, men are naturally in "a state of perfect freedom," which is "a state also of equality, wherein all the power and jurisdiction is reciprocal, no one having more than another: there being nothing more evident, than that Creatures of the same species and rank ... should be equal one amongst another without Subordination or Subjection."

And while it is true that in Locke's time, and for another two centuries afterward, it was possible for people, especially in England, to find liberalism compatible with non-democratic forms of government such as hereditary monarchy and even slavery, the fundamental conviction of liberalism—that all people are by nature both free and equal—was inevitably going to force a change in this perception. "As the principle that all men are created equal gained currency," Plattner explains, the common people would come to demand the right to vote. "And once they began to do so, how could it any longer be claimed that they consented to a political order in which they had no say?" The working out of the principles of modern liberalism would inevitably mean—as indeed it has meant—that the only liberalism considered legitimate and genuine is that which is found in liberal democracy.

Which is why the fact remains that, as Plattner and other critics have pointed out, "countries that hold free elections are overwhelmingly more liberal than those that do not, and countries that protect civil liberties are overwhelmingly more likely to hold free elections than those that do not." "This is not simply an accident," Plattner argues. Contrary to Zakaria's claims, "it is the result of powerful intrinsic links between electoral democracy and a liberal order."

In his book Zakaria never bothers to address Plattner's sharp refutation of his central thesis, although he has had years to mull it over. But his failure to do so probably stems from the fact that at its core Zakaria's argument is not really about "illiberal democracy" versus "liberal autocracy." All his disclaimers to the contrary notwithstanding, it becomes painfully clear reading his book that Zakaria simply has a preference for aristocratic government over democratic government at home, and for autocratic government over democratic government abroad.

This is a respectable point of view, although it was perhaps a bit more respectable a quarter of a millennium ago than it is today. Zakaria is in this respect the most literal kind of conservative, which is rare in the United States. He is nostalgic for a time when there was indeed "less democracy" in the world. He yearns for the restoration of an earlier age when in places such as England (though perhaps only in England) monarchy and autocracy, as well as aristocracy, were compatible with a developing liberalism.

That combination never really existed in the United States, where democracy and liberalism co-existed from the beginning. And it is almost impossible to imagine re-creating it in the modern world. Which people today are ready to accept the return of divine-right monarchy? Which tyrants today can be counted on to protect the liberties of the individuals over whom they wield absolute power? How would Zakaria or anyone else presume to know which dictator could be entrusted with the well-being of his or her people? And most important of all, does Zakaria or anyone else really believe that we know how to create a liberal society without democracy? The truth is that, as many experts are now beginning to admit, we have not had so much success in promoting "the rule of law" and "all that stuff."

Indeed, for the United States and other democratic nations to support the promotion of democracy abroad is not a sign of arrogance. It is a sign of humility. We do not really know how to build a liberal society, any more than we know how to build a human body. But we do know a free and fair election when we see one. And we know what we believe: that the rights enumerated in the Declaration of Independence belong to all humankind, and therefore that liberalism in the modern world can only be genuine when the people have the right to choose—and to dismiss—their rulers. When democracies fail, we should try again to help them succeed. And when democracies falter, the answer is, yes, more democracy. ■

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TOKYO DIARIST

Pinball Wizards

THE JAPANESE GAMBLING game of pachinko is an acquired taste that foreigners rarely acquire. Yet it is adored by millions of "salarymen"—those worker bees who keep Japan Inc. humming even during down times. The pachinko parlor in my neighborhood is typical. It's crowded day and night with dozens of salarymen who—in crumpled suits, cigarettes dangling from their mouths—sit zombie-like as they pump coins into a contraption that looks like a vertical pinball machine. As fluorescent lights glare overhead, syrupy Japanese pop music competes with the deafening sound made by thousands of steel ball bearings cascading in unison.

THE GAME, WHICH ORIGINATED IN THE United States in the 1920s but only found a following when it migrated across the Pacific, is simple. It requires virtually no skill. Players launch a barrage of steel ball bearings and watch them ricochet off metal pins, hoping they will land in the winning slots. Players win small prizes that they can exchange for cash. To an outsider, pachinko seems about as relaxing as a root canal, but the Japanese find it a sublime distraction, the perfect narcotic for a nation adrift economically. And, like many narcotics, pachinko is big business, with annual revenue of roughly $250 billion.

A PORTION OF THIS PACHINKO MONEY ends up in North Korea, funneled to Pyongyang by ethnic Koreans living in Japan. They are the children and grandchildren of Korean workers forcibly brought to Japan in the first half of the twentieth century, and some of them still have sympathy for Pyongyang, which they see as resisting Japanese and U.S. domination. Shut out of mainstream businesses due largely to Japanese racism, the Koreans have turned to fringe industries like pachinko. Today, Koreans loyal to Pyongyang own about one-third of Japan's pachinko parlors. So, if President Bush is serious about squeezing Kim Jong Il, he might want to add pachinko profits onto America's list of North Korean items marked for interdiction. True, pachinko money accounts for a relatively small share of North Korea's revenue—less than $100 million annually—but the isolated nation trades so little ($2.6 billion annually) that every dollar counts. And, since the Bush administration hopes that every crumb of hard currency denied to North Korea will hasten the day when the Pyongyang regime collapses, it—and Japan—should start looking into this quirky game. Finding pachinko parlors to investigate shouldn't be hard. Today, even small hamlets have at least one. In Tokyo, they are as ubiquitous as sushi restaurants. In fact, Japan's pachinko craze occasionally borders on the obsessive. Several years ago, a woman was arrested after her infant daughter, who the woman had left alone in a car for hours while she played pachinko, died of asphyxiation.

THE CONDUIT FOR SMUGGLING PACHINKO profits, as well as other items, to North Korea is a group barely known in the West—though familiar to many Japanese—called the *Chongryon*. It represents the 200,000 Koreans in Japan who swear allegiance to the North, roughly 25 percent of the total ethnic Korean population. The organization publishes a daily newspaper and runs a network of schools—schools that, until recently, used textbooks identical to those in North Korea. The group also acts as North Korea's de facto embassy. I recently visited the *Chongryon*'s headquarters, a cavernous, foreboding building in a pricey Tokyo neighborhood. There are virtually no windows. Inside, giant paintings of "Dear Leader" Kim Jong Il, and his father, "Great Leader" Kim Il Sung, stared down at me. Most Japanese, spooked by all things North Korean, steer clear of the place. Indeed, for decades, Japanese authorities have looked the other way at the organization's activities, afraid of antagonizing its former colonial subjects. Japan even exempted the *Chongryon* from taxes.

JAPAN'S ODDLY COZY RELATIONSHIP with North Korea, a sworn enemy, extends beyond pachinko. Japan is North Korea's biggest customer, importing seafood, gourmet mushrooms, men's suits (not the ultimate in haute fashion but cheap), and plenty of illicit goods, such as amphetamines, from the North. There's evidence that Japan's notorious criminal gangs, the *yakuza*, are working with the North Korean government to tap into Japan's lucrative drug market. When investigators salvaged a North Korean spy ship in 2001, they found cell phones programmed with the numbers of well-known *yakuza* bosses. It gets worse. Japanese companies have helped North Korea build ballistic missiles. A North Korean defector recently told the U.S. Congress that 90 percent of the parts used in the guidance systems of Pyongyang's missiles were smuggled in from Japan.

PUBLIC ATTITUDES, THOUGH, ARE BEGINning to harden in Japan. An early June cartoon in the *Japan Times* sums up the current mood. The scene is a duty-free shop in the Japanese port city of Niigata. Alongside the usual jewelry, perfume, and cigarettes, missile parts and armaments are for sale. In plain sight of sales clerks, two North Korean agents are walking off with huge missiles under their arms. One of the agents says wistfully to the other, "I kind of miss the old cold war days when they made smuggling more of a challenge."

THE IMPLICATION—THAT JAPAN HAS been duped—has spurred Prime Minister Junichiro Koizumi into action. He has vowed to "crack down more rigorously [on North Korea's] illegal activities." He has threatened to revoke the *Chongryon*'s tax-exempt status, made it more difficult for North Koreans living in Japan to send money home, and ordered rigorous "safety checks" for all North Korean ships that dock in Japanese harbors. That has already prompted one North Korean ferry to cancel a scheduled visit. Another is stranded off Japan's northwest coast, running low on fuel. (The *Chongryon* has reacted with a terse statement, accusing the Japanese government of "attempting to sever our ties to our mother country.") The ship's captain says he's prepared to wait until Tokyo permits him to unload his cargo of industrial magnesium. Given the mood in Japan, he could be waiting a long time.

ERIC WEINER

Eric Weiner is a correspondent for National Public Radio based in Tokyo.

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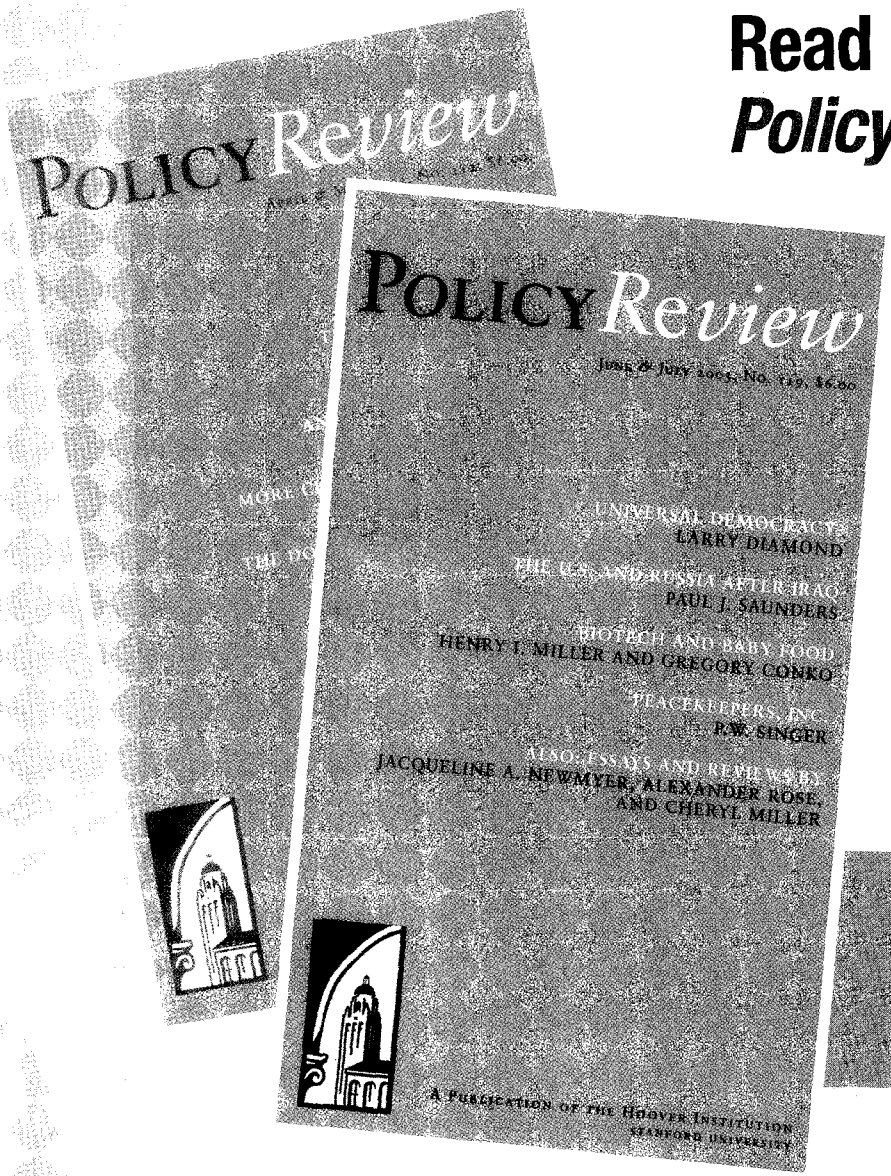

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